Daily Report

East Europe

FBIS-EEU-92-181
Thursday
17 September 1992

Daily Report
East Europe

FBIS-EEU-92-181 *17 September 1992*

CONTENTS

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

FRONT PAGE

ALBANIA

Bilis Ratifying Greek, Turkish Agreements Approved *[ATA]* 2
Arbnori, Bundestag Delegation Discuss Support *[ATA]* 2
Berisha Discusses Support for Kosovo, Macedonia *[NOVI VJESNIK 29 Aug]* 2

BULGARIA

Talks on Free Trade Zone With EFTA Discussed *[BTA]* 5
Ministry Investigates Wiretapping Allegations *[BTA]* 5

CZECHOSLOVAKIA

Meciar Wants 'Market Relations' With Czechs *[EKONOM 28 Aug-3 Sep]* 6
Defense Minister Views Army Division *[NARODNA OBRODA 14 Sep]* 9
'Clash of Interests' in Government Examined *[RUDE PRAVO 5 Sep]* 11
Complete Unemployment Statistics for Aug *[HOSPODARSKE NOVINY 15 Sep]* 13

HUNGARY

Antall Address Reviews Current Situation *[Budapest Radio]* 15
Assembly Airs Views *[MTI]* 17
Antall Replies to Debate *[Budapest Radio]* 18
Imports of Russian Oil To Increase 50 Percent *[MTI]* 19
Socialist Party Calls on Fonay To Resign Post *[MTI]* 20

POLAND

Small Constitution Remains 'Uncertain' *[RZECZPOSPOLITA 14 Sep]* 21
Walesa Comments on Economic, Political 'Elites' *[Warsaw Radio]* 22
Spokesman Says Olszewski Should Apologize to Walesa *[PAP]* 22
Goryszewski Confident for Government Until Election *[PAP]* 22
Minister Unveils Promotional Strategy for Economy *[PAP]* 23
World Bank Report Shows Reduced Loans to Poland *[PAP]* 23
Solidarity Leader Defends Right To Protest *[PAP]* 23
Deputy on Effects of Political Vetting in Army *[PAP]* 23
Union Opposes Sale of Land to Foreign Nationals *[PAP]* 24
Poll Reveals Less Optimism for Future *[PAP]* 24

ROMANIA

Nastase Summons Envoy To Protest Lebed Statement *[ROMPRES]* 25
Leaders, Press Comment on Timisioara Incident *[ROMPRES]* 26
Government 'Disapproves' *[ROMPRES]* 26
FSN Issues Communique *[ROMPRES]* 26
Liberal Party Comments *[ROMPRES]* 26
FDSN Discusses Incident *[ROMPRES]* 27
Police Identify Persons Involved in Incident *[ROMPRES]* 27
Iliescu: Election Cannot Be Won in First Round *[ROMPRES]* 27
Polling Stations To Open for Romanians in Hungary *[ROMPRES]* 28

Government Passes Investment Promotion Document *[ROMPRES]* 28

BOSNIA-HERCEGOVINA

CSCE Report Confirms Existence of Camps *[Hamburg DPA]* 29
Foreign Ministry Rejects UNPROFOR Claims *[Sarajevo Radio]* 29
Serb Assembly Drops Independent State Amendment *[TANJUG]* 30
Boban Views Decision Annulling Croat Republic *[TANJUG]* 30
Izetbegovic Explains Participation at Geneva *[AFP]* 30
Karadzic Statement Prior to Geneva Talks Viewed *[TANJUG]* 31
Serbs Urge Cease-Fire Before Geneva Conference *[TANJUG]* 32
Izetbegovic Protests Serb Air 'Bombardments' *[Sarajevo Radio]* 32
Ganic 'Scared' Over Possible Terrorist Actions *[TANJUG]* 32
Germany Accused of Supplying Arms to Bosnia *[TANJUG]* 33
Fighting Reported in Brcko, Gradacac, Sarajevo *[Sarajevo Radio]* 33
Croatian-Muslim Conflict To 'Benefit' Serbs *[NOVI VJESNIK 26 Aug]* 34
Sarajevo Papers on Conflicts Between Factions *[VJESNIK 26 Aug]* 35
Muslim, Croat 'Genocide Policy' Discussed *[VOJSKA 27 Aug]* 36
Bosnian Krajina Officials: Recognition or War *[BORBA 26 Aug]* 37

CROATIA

UN Force Withdrawal Spurs 'Rumor' of Attack *[TANJUG]* 39
'Breakthrough' in Prisoner Exchange Reported *[Zagreb Radio]* 39
RSK Official Comments on Army's 'Quiet' Coup *[BORBA 26 Aug]* 39

SLOVENIA

Kucan, Goncz Comment on Minority Issues *[Ljubljana Radio]* 40
Rupel Comments on Border Dispute With Croatia *[TANJUG]* 40
Exchange of Bonds for 'Real' Currency Announced *[Ljubljana Radio]* 40

YUGOSLAVIA

Federal

Kontic Says All UN Conditions 'Virtually' Met *[Belgrade Radio]* 41
Kontic, Romanian Envoy Meet, Discuss Relations *[TANJUG]* 41

Serbia

Government on Panic UN Application Policy *[Belgrade Radio]* 41
SPS Organizations Propose Milosevic as President *[TANJUG]* 42
Prospective Measures To Counter Sanctions Viewed *[TANJUG]* 42
SDA Views on Sandzak Muslims Discussed *[BORBA 20 Aug]* 42

Kosovo

Albanian Leader Calls For Independent State *[TANJUG]* 44

Montenegro

Parties Discuss Prevlaka Peninsula Problem *[TANJUG]* 45

Macedonia

Greece Accuses Macedonia of New 'Provocations' *[TANJUG]* 45
Oil Crisis Disrupts Industry, Transportation *[TANJUG]* 45

Bosnia-Hercegovina

In an interview, Wilhelm Hoeynck, German ambassador to the CSCE, stated "a CSCE report on executions and torture in concentration camps in various areas in the former Yugoslavia has confirmed the worst fears," Hamburg DPA reports. Hoeynck "mentioned a number of pieces of evidence that had been made available to the CSCE steering committee of high-ranking officials." "There had been arbitrary executions of civilians, instances of torture and brutal treatment." Hoeynck added that he "could not, however, say under what national responsibilities the discovered camps came."

Sarajevo radio reports that the Foreign Affairs Ministry issued a communique on the "tragic" incident in which two French soldiers from the Sarajevo UNPROFOR were killed. The communique said: "The Zagreb-based command of these forces issued a statement before any proof was established and before results of the investigation were known, blaming the Bosnian side. This is inconceivable according to all internationally accepted norms on procedures for investigation." It concluded: "We insist on the UNPROFOR's objectivity and impartiality. We insist that reports on all incidents that have happened since 5 June be published, and that proof be provided for everything."

In a session of the Serb Republic Assembly, an amendment to the Consitution, which defined the Republic as a sovereign and independent state, "was dropped," TANJUG reports. Assembly President Momcilo Krajisbik commented: "We do not want to abandon Yugoslavia voluntarily although many are driving us out of it."

Yugoslavia

Serbia—According to Belgrade radio, the Serbian Goverment issued a statement in response to a comment by Federal Prime Minister Milan Panic that "he would propose to the Federal Government that Yugoslavia submit an application to be admitted into the United Nations and other international organizations." Citing the FRY Constitution, the government stated: "The aforementioned statement by the federal prime minister has neither the legal character of a decision nor is legally binding on the FRY."

Kosovo—In a lecture given during his brief visit to Austria, Ibrahim Rugova, chairman of the Democratic Alliance of Kosovo, "discarded any possibility of Kosovo remaining an integral part" of the FRY. If that happened, "bloodshed would be inevitable," TANJUG reports.

Bills Ratifying Greek, Turkish Agreements Approved

AU1709074792 Tirana ATA in English 0818 GMT 16 Sep 92

[Text] Tirana, September 16 (ATA)—The People's Assembly continued proceedings on September 15 before noon with the discussion of the draft law on the organization and functioning of Tirana Municipality and the subdivisions in municipality and communes.

In the afternoon sitting the People's Assembly examined and passed the convention with Greece and the agreement with Turkey.

At the beginning it examined the draft law on the ratification of the Consular Convention between the Republic of Greece, which was signed in Athens on June 22, 1992. The chairmen of parliamentary groups and the deputies, who took the floor, stressed the benefit of the convention, which is an important act influencing in the friendly relations between the two countries. Its signing assumes a special importance if we bear in mind that an agreement is signed between the two countries on opening of two consular posts in Ioannina and Gjirokaster. The draft law on this convention was passed unanimously in principle, article per article, and in general.

Then the Assembly passed on to the ratification of the agreement between the Republic of Albania and the Republic of Turkey for the instigation and mutual protection of investments, signed in Tirana on June 1, 1992. The report presented by the Council of Ministers stresses among others that the agreement will influence in the development and consolidation of economic relations between the two countries. The agreement determines which party is charged to create conditions for the investors of the other party similar with those of local investors. Foreign investors are allowed to stay in the territory of the other party to develop and administrate their investments. They have the right to employ, according to their choice, the managing and technical staff, despite of their nationality. Each party has the right to make free-of-charge transfers with regard to investments, within and outside its territory, etc. This draft law was adopted unanimously in principle, article per article, and in general.

The People's Assembly will continue its proceedings on September 16.

Arbnori, Bundestag Delegation Discuss Support

AU1709074092 Tirana ATA in English 0824 GMT 16 Sep 92

[Text] Tirana, September 16 (ATA)—The chairman of the Presidency of the People's Assembly, Pjeter Arbnori, received on September 15 the delegation of Bundestag of German Federal Republic headed by the deputy chairman of the Economic Commission, Peter Rotchenbach.

Mr. Arbnori informed the guests of the political, economic, and moral situation in Albania and of the acute problems our country is undergoing following a nearly 50 years old dictatorial system. We are determined, Mr. Arbnori said, to carry to the end the reform because the Albanian people have inexhaustible spiritual, mental, and physical power to go forward side by side with the peoples of Europe. Then he pointed to the sympathy and love of the Albanian people for the German people, which did not vanish either by the difficult period the relations between the two countries suffered. He highly evaluated the all round support the German people, intellectuals, and government have rendered to the Albanian nation, both to Kosovo in its powerful democratic movements in 1981, and to those in Albania from 1990 until today.

During the meeting they spoke of the mutual possibilities and interests of German investments in Albania in many fields, as in industry, agriculture, culture, tourism, etc. In this relation they pointed out that the strengthening of the relations between the two parliaments will open up possibilities for a profound acquaintance of Albania and for raising to a higher level the support and aid of the German state for Albania and the Albanian nation.

Berisha Discusses Support for Kosovo, Macedonia

92BA1388C Zagreb NOVI VJESNIK in Serbo-Croatian 29 Aug 92 p 18

[Interview with Dr. Sali Berisha, president of Albania, by Nadira Avdic-Vllasi in Albania; date not given: "If There Is a Massacre in Kosovo, We Are Not Remaining Aloof"]

[Text] For five months now, Albania has been an open democratic country ready to show the entire world everything that has been concealed from the eyes of the public for decades. The Albanians are aware of the evil done them by the Stalinist regime—they want to talk about everything, to communicate and explain as much as possible so as to make up for the long years of isolation and silence as rapidly as they can. We saw for ourselves the extent of the personal contribution made to creating a climate of openness and responsiveness by Dr. Sali Berisha, the president of Albania.

On the trip from Split to Kosovo, during my first short stay in Albania, I unexpectedly had the opportunity of meeting Dr. Berisha. With no questions prepared in advance and no protocol complications, I found myself in the modest and pleasant atmosphere of the office of the president of the Republic of Albania. I got the impression that in the misfortune that has accompanied it from its founding, this small country has nevertheless been fortunate to have such a president as Dr. Sali Berisha in moments decisive for the entire Albanian people—at a historical crossroads. A man of exceptional energy and strength, with European reasonableness, tolerance, and realism, he belongs to the pattern of young

statesmen and politicians such as the Spanish Prime Minister Felipe Gonzalez, for example. He received us together, my husband and me, agreeing that I use parts of the conversation for my journalistic task, and in doing so—which nevertheless surprised me—he did not influence my choice, nor did he mention any submittal for approval or examination of what would be published in NOVI VJESNIK.

Azem Hajdar, vice president of the Democratic Party of Albania [DPA], one of the president's close associates, also took part in the conversation, which lasted almost an hour and a half.

Dr. Sali Berisha optimistically interprets the grave situation in Albania, emphasizing that they are starting out "from below zero," and yet they are moving. The death throes of the former government lasted a long time: It is brought to mind by the present behavior of the Serbian bosses who have decided to destroy what they cannot conquer.

"The totalitarian regime did more damage in the last two years before the March free elections than during decades earlier. It carried out programmed demolition, taking revenge in advance against the democracy that is on the rise: Vigilantes of the regime demolished schools and factories...." One senses the anger in Dr. Berisha's voice when he talks about the senseless destructive campaign against public facilities which ceased after the election, but his disposition changes when he emphasizes the very rapid changes in rural areas, mentioning that a comparison with earlier periods cannot provide any consolation, but the position of the peasants is better now than ever before.

"The close proximity of the Yugoslav crisis of war is very damaging to us even with respect to economic development. Many people in the world we talked to about investing their capital in Albania mentioned that the war in the neighborhood is a serious problem," Dr. Berisha says, explaining in detail the complete change of direction in Albania's foreign policy, the new policy of complete openness to the world, where they are still received with a certain reserve because of the many years of isolation. Nevertheless, things are changing rapidly, he mentions, adding: "We have already begun intensive cooperation with the European Community, but we have achieved the largest single progress with Italy. We are neighbors, and there are practical advantages to that. We are also making efforts to improve cooperation with other countries—Germany, for example. The United States has helped us a great deal; we expect a decision of the U.S. Congress on most-favored-nation status, which would intensify interest in economic cooperation. We will first resolve numerous issues related to the system, create the appropriate legal framework and security without which the banks do not wish to take responsibility for insuring investment projects. Austria is informed in detail about our problems and wants to help us, as does Germany. We are also taking pains in relations with France, and we have already achieved progress in this. We have also had important contacts with Great Britain. We have good relations with Greece even though certain circles are attempting to hinder that cooperation and heat up certain earlier disputes. We support the independence of Macedonia, which could be an important factor for stability in the Balkans, provided a solution is found for relations between the ethnic communities. Our ties with Turkey are historic and manifold and can be broadened and strengthened still more, because there are Albanians involved there in all institutions and cultural and business life. We will make efforts to improve relations with Slovenia, Croatia, Bosnia-Hercegovina...."

We inevitably arrive at the question of Bosnia-Hercegovina [B-H], of which Dr. Sali Berisha says that it has already been turned into Lebanon.

"We are very disturbed by the situation in the former Yugoslavia. We see that Europe is unable to take effective steps to resolve that crisis, although it has a duty to do so, because Yugoslavia was founded precisely on the basis of international conventions and to the measure of European interest."

His comment on the assertion that Serbia has already won the war in Bosnia was the position that in Bosnia Milosevic has gained only the verdict of the entire world, and he remarked that the contradictory acts of the countries of the European Community have not been founded on respect for the "interests of all the nationalities" and have had the effect of perpetuating the crisis. "Unless a fair solution is found now, the crisis could be still more serious. That Yugoslav federation harbored numerous dangers which have resulted in a conflict. This newly formed state of Serbia and Montenegro has not only not removed those dangers at all, it has transferred them to a smaller area and concentrated them against the Albanians, which could result in a new Balkan conflict," Dr. Berisha explains, emphasizing that if there should be a massacre of unarmed Kosovo Albanians and a major conflict in Kosovo, Albania would not be able to stand aloof.

The president of the Republic of Albania believes that there is a solution if everyone abides by the Helsinki principles, on the basis of which the Albanians have the right to regional self-government.

"I am a supporter of an agreement that would result in a solution, because agreements in and of themselves mean nothing if the conflict remains. It is the right of every people to decide its own destiny." Dr. Sali Berisha believes that there is no argument by which that right of the Albanians can be contested and that the Serbs have only one artificial emotional argument when they say that Kosovo is the "cradle of Serbia," because the Albanians have always lived there. Kosovo is a part of the former Dardania (if one is going to talk about history), and in later centuries the Albanians were always in the majority there, and now they constitute 90 percent of the population. He also added that they insisted on

participation of a Kosovo representative at the London conference and noted with a smile that in one cradle it is possible to raise not just one but several babies.

How is self-government of Kosovo Albanians to be achieved? That does not seem to be the most important thing at this moment, because Dr. Berisha emphasized that all of that could be talked about—whether it be a republic, confederation, demilitarized zone—step by step, but without that there is no true solution.

It is obvious that Dr. Sali Berisha, Albanian president, is very familiar with the situation on the territory of the former Yugoslavia.

"Milosevic is a fanatical dictator. There is no doubt that he is destined to lose, but he is leaving history with great bloodshed and dirty hands. That is clear to everyone now. However, the trouble is that differing interests are intertwined, which is dragging out the entanglement and postponing Milosevic's fall...."

Dr. Berisha believes that there is not a great deal of determination to introduce an airtight embargo against Serbia, and he mentions that a large military power was engaged to perform that function in the case of Iraq, while now the Americans are just using satellites to see who is violating the sanctions—and nothing is done to anyone. Nevertheless, military intervention, according to Dr. Berisha, has still not been removed from the agenda and is altogether possible.

"Europe is tired and unnerved by the arrogance and temerity of the Serbian aggression and the entire crisis. The Islamic factor is increasingly important. The very determined position of the U.S. administration toward the bloodshed in Bosnia could even affect the results of the election in the United States," Dr. Berisha says, citing certain facts which favor a possible intervention, mentioning at the same time that he does not think that anyone will send soldiers to Bosnia to die, but that the bombing of the Chetnik artillery would also greatly shake the Serbian military force.

"A political solution has not suited Serbia up to now. It has no political arguments for the objectives it intends to achieve. That is why Serbia deliberately undertook to break up Yugoslavia in order to seize military power in its hands, and until that enormously large power is destroyed, there is no fair political solution to the crisis."

At the very end of the meeting, precisely because of his recent visit to Albania, we mentioned Milan Panic, prime minister of the unrecognized "Federal Republic of Yugoslavia." Dr. Sali Berisha remarked that he personally thinks that he can do something, but he is a tragic figure. He continues: "We received Panic briefly here out of diplomatic considerations. I did not want to meet him, but because he had already offered to come, it was not a good thing to reject diplomatic contacts. Alexander Meksi, our prime minister, told Mr. Panic that it is absurd to offer economic cooperation in the midst of a whirlwind of war and while the embargo persists...."

After the meeting with President Berisha, we continued our trip toward Macedonia. We soon entered the "prison of the people" with an uneasy feeling. We entered the Kosovo camp. Serbia is increasingly isolated and shut off, a country of fear and general uncertainty, while Albania, previously under lock and key, has opened all doors to people whose intentions are good, and its citizens are trying at the moment to offset their poverty with a feeling that is new for them—freedom.

Talks on Free Trade Zone With EFTA Discussed

AU1609190092 Sofia BTA in English 1837 GMT 16 Sep 92

[Text] Sofia, September 16 (BTA)—Over 120 Bulgarian businessmen are taking part in the three-day seminar on "EFTA Commercial Policy," which started here today.

The seminar has been organized on the initiative of the Bulgarian Chamber of Commerce and Industry in cooperation with the Secretariat of the European Free Trade Association (EFTA) in support of the government's policy of integrating Bulgaria into European Structures. The seminar will present the major characteristics of the commercial policy of the free market democracies on the basis of GATT and EFTA regulations and free trade agreements between EFTA member countries and between EFTA and EC member states.

Six working groups will discuss customs rules of origin of goods, technical impediments to trade, competition and monopolies, the protection of intellectual property and state orders and subsidies.

EFTA and Bulgaria will start negotiations in substance on the establishment of a free trade zone in keeping with the declaration on cooperation signed in December 1991.

Ministry Investigates Wiretapping Allegations

AU1709080092 Sofia BTA in English 2208 GMT 16 Sep 92

[Text] Sofia, September 16 (BTA)—Today the Press Office of the Ministry of the Interior sent BTA an official announcement of the following content:

Recently the mass media have repeatedly attacked the leadership of the Ministry of the Interior and its surveillance service, in particular accusing it of tapping the phones of various party leaders. The statement made by the leader of the ethnic Turks' Movement for Rights and Freedoms, Mr. Ahmed Dogan, in last Sunday's "Nedelya-150" ["Sunday-150"] political programme of the Bulgarian radio and the article by Mr. Stefan Gaytandzhiev in the September 15 issue of the 24 CHASA daily come to illustrate this fact. In an article headlined "Zhan Videnov the Subject of Active Espionage," the leader of the BSP [Bulgarian Socialist Party] claims that "his office was bugged" and that there were "radio broadcasts of meetings held there." Immediately after having acquainted himself with this article Interior Minister Sokolov sent the chief of the Surveillance Department, Mr. Rangelov, to ask Mr. Videnov to prove his statements with facts. The BSP leader said that his friends, radio fans, told him that they had heard radio broadcasts of BSP meetings, however, not from his office but "from somewhere else" without specifying the source and the time of these radio broadcasts. Mr. Videnov was told that the bodies of the Ministry of the Interior are strictly observing the Constitution of the Republic of Bulgaria and that they do not carry such activities guided by political motives.

The chief of the Surveillance Service of the Ministry of the Interior offered Mr. Videnov to send a group of experts to examine his office and the entire building of the Supreme Council of the BSP on 20 Pozitano Street at any time convenient for him and in his presence. Mr. Videnov said that he wanted the examination to take place in the presence of journalists, to which the chief of the Surveillance Service agreed, with the reservation that this could take place only over certain periods of time because of the specifics of the examination. Mr. Videnov also requested that a parallel examination be made by a private company to which no objections were made. It was agreed that by 1700 hours on September 17 Mr. Videnov would specify the date and the time of the examination.

At the end of the meeting Mr. Zhan Videnov expressed his gratitude to Interior Minister Sokolov for his quick response and for sending such a prominent expert in this field.

Meciar Wants 'Market Relations' With Czechs

AU1609142292 Prague EKONOM in Czech No. 35 28 Aug-3 Sep, pp 16, 17, 18

[Interview with Slovak Prime Minister Vladimir Meciar by Marcela Zabojnikova; place and date not given: "No Economic War Between the Czech and the Slovak Republic—Ways of Accord"]

[Text] Dr. Vladimir Meciar (born in 1942), was an unknown figure in political and public life until 1989. Since then, he has twice been head of the Slovak Government. Today, he has become an extremely strong political figure who creates—in our country and abroad—almost fanatical rejection in some, and admiration in others. While the first time he was appointed it was a surprise, the second time it was quite predictable. The For a Democratic Slovakia Movement [HZDS] had unequivocally won the elections in Slovakia and Vladimir Meciar assumed the burden of responsibility for the fate of Slovakia. Owing to the fact that he is always busy, he does not receive reporters routinely to grant them personal interviews—apart from regular briefings after the Slovak Government's meeting. EKONOM is one of the few papers and magazines for whom he made an exception.

[Zabojnikova] What are the first steps the Slovak Government intends to take in the economy?

[Meciar] First,—in order to implement the economic transformation efficiently, which is a prerequisite for the functioning of any kind of economy—the Slovak Government must prepare a balance sheet of its assets. We are in the process of compiling this balance sheet and we must say that the starting base is worse than we thought, particularly as regards the fulfillment of the state budget and state finances, which show a large deficit. We have also examined systemic measures to be taken in the future. We have found big problems here, too. Second, we must consider two alternatives for development. One is to be applied in the event there is an agreement with the Czech Republic on a common market and common economic interests—which is what we are proposing—and the other one will be adopted if these proposals are rejected. We infer from this that we must compile several mutually intertwined conceptual programs for changing and reviving the economy. We must not allow the Slovak economy to decline any further. These programs have different priorities. We give the greatest priority to the program for reviving small and medium sized business. The second program is about Slovakia's regional development. This program respects the existing infrastructure of the economic development, and we also include social aspects of employment policy. Social policy is very imbalanced—unemployment has reached 20-percent in some regions and there is a possibility that even this level will be exceeded. Another program deals with foreign countries. It foresees the expansion of the market space—that is, the chance for our enterprises to export—and it provides an opportunity to foreign capital to invest in our territory. This is a very complex system of steps to be taken, particularly if we consider the fact that Slovakia is geographically farther away [from the West] and has a worse infrastructure than the Czech Republic—and that it must make up for the advantages that the Czech Republic has, owing to its geographic position.

[Zabojnikova] That was a rough outline of Slovakia's economic policy. If we wanted to explain how our policy differs from the Czech policy, which aspects would we have to mention? We know that our opinions differ in the sphere of social policy, privatization, and elsewhere, too.

[Meciar] There are several differences between the Czech Republic and Slovak Republic. The first is in the strategy for economic reform. We say unequivocally: Let us put an end to restrictions, and start revival. This depends, among other things, on the creation of the state budget resources and social tolerance of the people, that is, their willingness and ability to put up with an even further production decline. Second—and we differ significantly in this point—economic reform must include, whether one wants it or not, social aspects. The principal controversy we were facing during our talks was the question whether —under the existing CSFR tax system—we were able to create room for specific regional features, that is, to provide for the possibility of granting tax reliefs [in some regions]. The Slovak Republic is intent on taking such steps, despite the fact that results will appear in only four to five years. Our external relations are also different—we can offer different opportunities [to foreign investors], since the situation in our republics is different. Of course, we are not acting as partners here, but as competitors—in the good sense of the word—since the interest of one republic may not be the interest of the other. These interests are not contradictory, but they are different. We also have different opinions regarding the establishment of the market space and its orientation. For example, Slovakia's economy is based on the arms industry. If Slovakia gives it up soon, it will quickly collapse. To export means to find a market for these products. This, however, depends on the geopolitical development—while respecting common interests, of course—and the nature of production. We also have different perception of the East. We do not think of the East as of only a political system. Their system is irrelevant to us for the time being. It, too, is heading toward democracy—at least, this is what we believe—but the labors will be painful. The East is a resource of raw materials and energy, and we must not say today that we are giving it up while orienting ourselves somewhere else. At the same time, however, we want to gain support and a foothold in the Western countries's markets. This economic system of ours, intertwined [with that of the Czech Republic], has been established over years and it is impossible to abolish or replace it overnight.

[Zabojnikova] You have mentioned foreign countries. How do you see more foreign capital coming into Slovakia in view of the new conditions?

[Meciar] If we speak about foreign capital, then we must distinguish between two kinds of capital: investment capital and banking capital. We have done nothing for banking capital. Of the 44 banks that exist in the CSFR, only seven are active in Slovakia, which is ludicrous. That is, if banking capital is to come here, we must implement laws and create liberal conditions for it here. We would be able to do that in a relatively short time, but the creation of technological conditions—such as the banking system, communications, and all the rest—is a more complicated process. To achieve this, the priorities of the state must be clearly defined, and the Slovak Republic must have the tax instruments to provide tax breaks [to foreign capital] for a certain period of time. Another thing is the internalization of programs. For example, the program of building a transportation network, the East-West-North-South highway, a communications network, and a commercial network connecting East to West and North to South, are some of the instances in which several countries might be interested in our territory—in the positive sense of this word—and can, through joint forces, change the face of Slovakia.

[Zabojnikova] Are you going to make use of the intellectual potential of the Independent Association of Slovak Economists (NEZES), a potential that was perceived as an independent power by the former government and not as something useful. Its members are experienced and knowledgeable people. How could they contribute to the Slovak economy?

[Meciar] The NEZES adopted a certain philosophy in the economic sphere, and it associates quite a strong group of economists. It is an intellectual potential that reacts in a certain way to the objective development in our country. The NEZES, however, is not the only group of economists in Slovakia. I began establishing contacts with the so-called "economists in their thirties." I have found exceptionally gifted people among them and several were able to perform government functions at their age. Unfortunately, these exceptional talents are disappearing, however. Foreign firms have discovered them and they pay them many times over and above the salary of the prime minister. If we have to keep these gifted people at home and prevent a brain drain, we must create appropriate conditions for them. Of course, we must listen to everyone, but what the government will adopt is a different thing. We must not close the door to anyone, we must listen to him, and arrive at our own conclusion.

[Zabojnikova] You visited the Kysuce region recently. What have you learned from your visit to the region with the second highest unemployment in Slovakia?

[Meciar] My visit to the Kysuce region was of both economic and political significance. The political significance stemmed from the fact that it was this region in which over 60 percent of the population voted for the HZDS—we feel indebted to them. Of course, people are expecting that we will react to the confidence we received from them, and react we must. Of political significance is also the fact that the Kysuce region was visited by various delegations—Vaclav Havel, the Czech Government, and even our government—but they have brought nothing positive to the region. We do not want to talk, only. More than 10,000 people from the Cadca district commute to the Ostrava region where their jobs are. That is also why we would like to know what impact the deterioration in relations—I do not mean between the Czechs and the Slovaks, but between the regions—would have on the development of metallurgy and mining in the Ostrava region— what job opportunities should be sought and what measures should be taken directly on the spot. We have found that the existing stimuli are not being used sufficiently. For example, the Cadca district is in 36th place in drawing unemployment benefits from the federal budget. Of the originally allocated 26 million, we have drawn only 26 percent in the first six months. That is why we replaced the chief of the Labor Office, who behaved irresponsibly. Many people are now raising their voices saying that we did it only because he was a member of the Civic Democratic Union. We have also found that services are not sufficiently developed here. There is no customs office, no insurance, or other services—and the people are dependent on the neighboring city of Zilina. The closeness of the Polish border is another unused resource. Border crossings and regional cooperation are lacking here. There is still no route linking the Kysuce and Orava regions. Several thousands of people could find jobs at the construction of Zilina power station, etc. The Kysuce region is an example showing that we must implement regional policy. We expect a lot from the organ for regional policy, an organ that we are creating at the Slovak Government office. As regards the Kysuce region, the existing production sectors must be stabilized to avoid a collapse. For example, though modernizing the Ball Bearing Plant in Kysucke Nove Mesto—this plant is the largest producer of ball bearings in the CSFR—the Slovena Cadca, etc. The situation today has a serious impact on services, too. Some private entrepreneurs have appeared there and said that due to declining sales—owing to the low or zero income of the population—they were unable to repay their loans. It must be made possible for the population to find their jobs in their own region.

[Zabojnikova] According to former government officials, the construction of the so-called Swedish villages was expected to help ease the problem with unemployment in Slovakia. It was expected that the villages would provide jobs for some 20,000 people in several places. Are we going to continue this program?

[Meciar] It is a bad thing to speak about something that exists only in the form of an idea. We should speak about it only when it has been implemented and when we can benefit from it. A noisy commercial exceeded itself, here. The Kysuce region has a variety of opportunities, for instance, in the utilization of raw material—such as forests—but ownership relations have not yet been solved. The region itself must be more active in seeking

access to the market. For example, a wood processing factory manufacturing attractive wood products opens a sales office in a neighboring village, and they think they are doing business. But a real businessman will take his product to Bratislava, Kosice, or even farther. The management working under current conditions must be more inventive than before. This is why we also discussed strate ic errors there. We were disappointed to hear that people have complained about artificial obstacles having been imposed—obstacles to their commuting to Moravia and Bohemia where they work—since some bus and train connections had been abolished. We were annoyed by the fact that in some cases ethnic friction appeared and inter-personal relations began to deteriorate. None of us wants to spread ethnic or racial intolerance. We will continue to live alongside each other and have common interests. Changing the state formation must not mean that a man should begin hating another man, and lose respect for him.

[Zabojnikova] It seems as if some people did not realize that cooperation between the Czech Republic and the Slovak Republic will not cease to exist, but will assume new principles. How do you figure out this cooperation?

[Meciar] Links between our republics are economic, commercial, market-related, and also technological. Well, the fact is that our industries are tightly intertwined. We can create two political entities, but we cannot destroy the market without putting self-destructive mechanisms into motion. That is why the Slovak Government's opinion is that the market area should be preserved and market-regulating rules created. We have provided guarantees to the Czech side. I, specifically, told them that I guarantee that the Slovak Government will not stop a single truck carrying goods to Bohemia. I demanded similar guarantees. We guaranteed that no economic war between Slovakia and Bohemia would be contemplated, because this would have destroyed us. Gas and crude oil must be understood as being of vital interest to the Czechs, and we are not going to close the taps. I thank the Czech Government for having compiled the disaster scenario—or the secret report, as the case may be—and for having analyzed strategic steps to be taken against Slovakia in the event of an economic war. I appreciate it, since we have become familiar with this scenario and we took the relevant steps. Today they have nothing they could use as a strategic tool to put Slovakia under pressure. To put it simply, it is a nonsense, our relations cannot be destroyed like that. A minimum form of cooperation would be the establishment of a free trade zone, but let us go further than that. We proposed a customs union, and it was accepted. We proposed the free movement of all non-production factors—that is the market, capital, and people. Of course, the thing is more complicated where people are involved, since we are dealing with people we are also dealing with political, social, property-related, civil-law related, and criminal aspects, and all that is a complicated group of problems but it can be solved. We proposed a common currency. The Czech side took the view that the Slovak economy—because of its imbalance and development—could put the currency at risk and introduce inflationary elements, which they do not want. Moreover, they are convinced that by separating the currency they would achieve convertibility—with respect to Western currencies—sooner and by introducing redistribution processes they would quickly gain resources to support investments in Bohemia. We are explaining—while being tactful to our partner—that this is not quite true. We realize that the result might be slightly different, but only time will tell. In my opinion, people are being premature in pushing for integration in the EC—the Civic Democratic Alliance, in particular. They are saying that Bohemia would be able to integrate into the EC by 1995. This would not be wise, since if they do it, they will face the fate of the German Democratic Republic, that is, the absolute collapse of the economic system. So, we can really save ourselves if we separate, since Bohemia is not ready for such integration, either. That is why they are saying: no single currency, but two. An agreement on monetary union—about the way of settling our payments—would include either a stable or a floating exchange rate, adjusted daily, and would determine the way accounts are settled between enterprises—enterprises must continue exchanging their products. Today, we are watching the goods exchange and I am disappointed when I see an enterprise of the Czech Republic asking enterprises in the Slovak Republic to pay in advance—for political reasons. If we behaved in the same way toward the Czech Republic's enterprises, we would have stopped some deliveries immediately, since we have large claims there.

I also know, that for so-called strategic reasons, they are amassing inventories of Slovak goods. If it happened that the Czech Government wanted to abolish all the links overnight, we would have to go to our knees, but we would survive. But the Czech Government would not survive a single year. The Czech entrepreneurs themselves would have to overthrow their government, since the government would have destroyed them. If I think about geopolitical factors, I smile a little. It is naive and shortsighted to think that freeing oneself from Slovakia will bring more rapid integration with the West. Slovakia represents a route to the East, too. For geopolitical reasons, Slovakia provides many advantages to Bohemia. I said once, jokingly, during a meeting with our partner, that if we behaved nicely toward one another, we would establish Czech language interest groups in Bratislava.

[Zabojnikova] With your permission, let us return to the most important, that is, the vital interests of the Czech Republic in Slovakia—gas and crude oil transit. You said in parliament recently that this matter will never become a subject of political bargaining or blackmail. However, at the same time you added that they are an important source of income for the Slovak budget. Should we believe that the present income from gas and crude oil transit is not adequate for the actual situation?

[Meciar] I am building on the experience of 1990, when the two republics and the federation compiled their budgets, each and every budget was expected to end up in surplus, but when they were recounted, they showed a deficit. The deficit stemmed from the fact that the gas and crude oil income was included in the budget of the federation, as well as in the Czech and the Slovak budgets. We have a situation here where the Czech Republic's representatives are saying that, if the headquarters are in the Czech Republic, then levies represent the Czech Republic's income, and vice versa. Value added tax will be introduced soon, but we must clearly define the entrepreneurial entities that will be obliged to pay the levy into the budget. The cost for these components must be determined. For example, it follows from the so-called secret report of the Czech Government that they are aware of the fact that for the crude oil transit alone they are paying 60 million dollars less than they normally would. Today, we are saying that we should establish market relations, define and register entities obliged to pay levies into the state budget, and agree on principles for profit sharing. We have never demanded an administrative division, but a solution by which we would voluntarily give up income and profit from economic activities in our country should not be forced upon us—particularly if we realize that the gas and crude oil transit uses up the energy of two power stations. Apart from that, there are deliveries of metallurgical products—aluminum semi-finished products, 72 percent of which are finished in Bohemia—and ferrous, steel, and non-ferrous products that are also finished in the Czech Republic. We want to make our interests more transparent, not on an administrative basis, but on the basis of purely economic relations.

[Zabojnikova] The last question: How do your figure out the material division of the federation? Are you not foreseeing conflict-prone situations?

[Meciar] Settling our accounts means, above all, taking an inventory of all the valuables—that is, outgoings and revenues—including federal property. The settlement could be done in kind, that is, that property will be divided—possibly according to financial calculations. There are also items that can be dealt with only by financial compensation. The rules for settlement must be defined beforehand. The settlement process is a matter that takes a long time—in the case of Austria-Hungary, it has still not been concluded. Moreover, I believe that both sides should show a certain magnanimity, not narowmindedness, since anything could provoke a conflict. We must take the route of agreement. No one should profit from the settlement. I expect that we will start it at the beginning of 1993, but the process should not take long. Moreover, we will have to settle foreign-affairs related problems—such as international treaties and relations. We must respect all foreign partners' interests in stability, and solve the problem of succession without quantifying our claims. Both republics should avoid conflicts and respect the interests of the other. That is why we say today that there will be one successor, and the succession will be either relative or proportional. Outward stability is one of the conditions we push for in our talks with the Civic Democratic Party.

Defense Minister Views Army Division

AU1609124192 Bratislava NARODNA OBRODA in Slovak 14 Sep 92 pp 1,3

[Interview with Defense Minister Imrich Andrejcak by Branislav Janik in Prague; date not given: "Time For the Army"]

[Text] The issue of a joint army and joint defense has become the topic of much discussion recently. It is apparent—at least, according to the mass media—that the two victorious parties have considerably different views on this issue. Therefore, we discussed the entire matter with Federal Defense Minister Imrich Andrejcak.

[Janik] Mr. Minister, do you think enough attention was paid to defense—and to military issues in general—during the talks held so far by the Movement For a Democratic Slovakia and the Civic Democratic Party [ODS]?

[Andrejcak] According to my information and belief, military issues have not yet been discussed at these talks. I have spoken with the two prime ministers and with some of the participants in the talks and have asked them to put the defense issue on the agenda. I think resolving this issue will take the most time. If it is possible to privatize and divide each enterprise, then the Army has to be transformed; as far as Slovakia is concerned, this virtually involves forming its own army.

[Janik] Do you know anything about the telephone conversation between Mr. Meciar and Mr. Klaus that was supposed to have been held a week ago and in which this very issue was discussed?

[Andrejcak] No. I do not know anything about any such conversation. I do not even know whether it took place.

[Janik] In essence, the Slovak position—common defense and a common command—is known and has not changed. However, the Czech prime minister rejected the idea of a joint army and a defense union right after this conversation. Czech International Relations Minister Josef Zieleniec recently emphasized two independent armies and two independent commands at a press briefing with foreign journalists. What is your opinion of these contradictory points of view?

[Andrejcak] In my opinion, it is just a matter of clarifying who thinks what. Unfortunately, Prime Minister Klaus has not yet had the time to meet me so I can explain to him that the process of dividing the Army is a demanding one, that there are minimum deadlines.... We have to decide on what the Army is supposed to protect and how. If the Army were to take a break—in accordance with a constitutional law—in fulfilling its tasks (it cannot be done any other way), then the Army

can be divided immediately. If, however, the Army is to fulfill its defense role without interruption, then we have to transform it in such a way that the current armed force ceases to be valid the moment the national armies come into existence.

[Janik] This is clear to me; therefore, I am surprised by the points of view expressed here in Prague last week. Mr. Minister, do you not think that the pronouncements by ODS representatives are—to put it mildly—premature and hasty?

[Andrejcak] I admit I have not heard them myself, I only know about them from press comments. It is possible that they meant the start of the process for dividing the Army. However, in order for two independent armies to be formed, we need—first and foremost—a law on dividing the state, and I am not convinced that such a law will be approved so quickly. When the deputies vote on it, they must—or, at least, should—consider whether it is possible to approve this law so quickly. I believe they will proceed from the premise that it is in our common interest to avoid Balkanization. The Army needs time to transform itself, and I want to explain to Mr. Klaus the temporal, organizational, and financial pressures involved in forming a Slovak Army.

(At this point, I have to say that when we were interviewing the minister in the Federal Assembly building, the Czech prime minister passed him at this very moment.... Editor)

[Janik] When do you think a Slovak Army could be formed?

[Andrejcak] If a state treaty is concluded between the republics, an independent army may be formed within a year from the adoption of the law on the Army's breakup at the earliest.

[Janik] I would be interested in your view of the model that is generally referred to as a mini NATO, that is, the new republican armies' subordination to a single joint command. What is the Slovak side's opinion of this?

[Andrejcak] Within the deadline by which the Army is capable of dividing itself without discord—this deadline will not be the deadline for dividing the state—that is, in the period between the existence of an independent state and the formation of a national army, there has to be a joint commanding body guaranteeing our defense. This is indeed a mini NATO model.

[Janik] Mr. Minister, do you not think that the pronouncement by ODS representatives also proceeds from the premise that, from the military perspective, they do not have a clear view of the situation. Although, your first deputy, Jiri Pospisil, who was nominated by the ODS, is—apparently—a candidate for the post of Czech defense minister....

[Andrejcak] I would not be so harsh, because I do not know exactly what the prime minister had in mind if he said what he is supposed to have said. I need to meet with him.

[Janik] Are the Czech side's fears that they would pay economically for a joint army justified? There is even talk of political uneasiness about such an association.

[Andrejcak] After the Republic breaks up, the Army will be divided with the number of personnel it has at the moment, perhaps with slightly fewer. This division will be proportionate to the republics and, therefore, will be equally expensive. Certain costs are associated with forming the Slovak Army, and bearing the burden of these costs has to be resolved. However, it must involve a method acceptable to both republics.

[Janik] On 16 September the federal cabinet will discuss the first version of the law on dividing property and on successor rights. Individual departments contributed to the law in accordance with the principle that each department knows best what should be divided and how. What was your contribution?

[Andrejcak] Naturally, the Federal Defense Ministry submitted a proposal. I even have an initialed version of it, because I am convinced there has to be a law on dividing the Army. As the government is still not united in how to proceed in each sphere—something we have already discussed in detail—I would not like to say any more about it. As you have already said, the government should discuss this issue at its next session.

[Janik] Do you still support the idea of a joint defense and command?

[Andrejcak] Of course. This Republic has to be defended continually. Until each republic is combat ready, someone has to take responsibility for this. What authority the joint commanding body will have is another matter.

[Janik] Have you already prepared a concept for it?

[Andrejcak] Of course. We have not prepared it in the form of regulations, but in the form of considerations and proposals. When we are tasked by law, we will complete it very quickly.

[Janik] Does a Czech and Slovak defense policy or military doctrine exist in any form, that is, in the form of objectives or considerations? I know that a group of experts has been set up in the Czech cabinet to draft a Czech....

[Andrejcak] There are very few states that put their defense doctrine down on paper. For example, even the United States has not done so. Everyone is curious about this in our country, because he imagines a bogeyman lurking behind it. Nevertheless, I think two national doctrines, which will be very similar, will be drafted in our country.

[Janik] Will the ministry have anything to say about them?

[Andrejcak] We are working on draft doctrines that we would like to submit to the republics. We perceive them as resulting from our military knowledge. It is a mere formality whether the doctrine is issued in writing or not. The Czech and Slovak military doctrines will be formulated after the national armies have been formed. An expression of the state's policy provides the basis for formulating a military doctrine.

[Janik] Have you already discussed your draft with the Czech or Slovak sides?

[Andrejcak] Not yet. I want to give it to them as a proposal. It is the duty of the ministry and the General Staff to draft proposals ensuring that this entire process is completed under the best possible conditions....

[Janik] Approximately 20 percent of the career officers in each republic comes from the other republic. What do you think will happen to them? I have heard that some kind of ceilings are being prepared whereby, for example, Slovaks could hold commanding posts in the Czech Army and vice versa....

[Andrejcak] It is complicated. I know officers who have their family and children in the Czech lands and have decided not to move. I also know others waiting for an opportunity to go to Slovakia. However, I have no right to ask officers whether they will go. The situation may be influenced by a number of different conditions. As far as the second part of your question is concerned, either your information is incorrect or someone is deliberately interfering in my work. Let me tell you that spreading false reports in the Army may elicit such a response that no one will be able to contain it. This is nonsense. In this case, the law will determine whether it will be possible to serve in the Army of the neighboring state. In principle, when the states break up and when the armies separate, we have to decide whether the relationship between the Czech and Slovak Republics will be such that the citizens of one republic can legally serve in the army of the other republic. This would involve service in a foreign army if we did not have a joint commanding organ. The law may resolve this issue in such a way that citizens could simply apply for Slovak or Czech citizenship and belonging to the other nationality will not be an obstacle to serving as a career officer.

'Clash of Interests' in Government Examined

AU1609145392

[Editorial Report] Czech newspapers between 5 and 15 September publish a number of reports, commentaries, interviews, and political parties' reactions to the private business activities of Miroslav Macek, federal deputy prime minister and deputy chairman of the Civic Democratic Party (ODS). They emphasize the existence of a "conflict" between Macek's political and private interests and raise questions about the probity of Macek's business activities and the sources of their financing.

Macek's business activities are first mentioned in a 900-word "kp, mir"-signed article, entitled "Knizni Velkoobchod Sold to Miroslav Macek's and Jaroslav Menzel's Company," in Prague RUDE PRAVO in Czech on 5 September, on page 3. According to the report, "Deputy Federal Prime Minister Miroslav Macek (ODS) is one of the two partners in a private company that has acquired the Knizni Velkoobchod [Book Wholesale] state enterprise at book value. This direct sale of a state enterprise was approved by the previous Czech Government at the recommendation of its Economic Council, which was chaired at that time by Jan Strasky, the current federal prime minister and Macek's party colleague." The report notes that Knizni Velkoobchod has been bought by the J.R. Vilimek company, which Macek set up together with Jaroslav Menzel, chief editor of the weekly TOP. They will pay for the company, which owns a number of office buildings in downtown Prague and storage facilities outside Prague, its book value of approximately 60 million korunas. Moreover, they pledged to take over the company's assets (inventories as well as 180 million korunas worth of claims against customers) and liabilities (200 million korunas owed to publishers and a credit of 60 million korunas).

As the RUDE PRAVO article observes, Macek and Menzel are also owners of the TELEGRAF Ltd., which recently stopped publishing the daily TELEGRAF. TELEGRAF was merged with the daily METROPOLITAN on 25 August "because of financial difficulties."

The RUDE PRAVO article also includes a brief interview with Macek on the deal. In the interview, the place and date of which are not given, Macek claims that the acquisition of Knizni Velkoobchod was motivated by his "lifelong love for books" and that his "plans with the company are other than growing rich quickly." He stresses that, because of the company's virtually irrecoverable claims, Knizni Velkoobchod will be "a hard nut to crack" and dismisses the idea that the approval of his privatization project had anything to do with his political work. As Macek points out "under the privatization law, any citizen of this state above 18 had the opportunity to do what I did. Had anyone come up with a better privatization project, he would have had a chance."

The RUDE PRAVO report indirectly challenges Macek's last assertion by pointing out that the privatization project submitted by the management of Knizni Velkoobchod, which provided for privatization by the coupon method, was turned down by Milan Uhde, minister of culture at that time, who is Macek's party colleague.

Prague RUDE PRAVO in Czech on 11 September on page 2 carries a 700-word Vladimir Labuda report on the

sale of Knizni Velkoobchod to the J.R. Vilimek company. Besides repeating information contained in the article of 5 September, the report notes that the Czech Ministry of Privatization official charged with the privatization of Knizni Velkoobchod was engineer Simanek. "After he prepared the proposal to approve the sale of Knizni Velkoobchod to Miroslav Macek and his partner," the report notes, "engineer Simanek left the ministry. Today he works as economic director of the Telegraf Ltd. Engineer Simanek told us that he left the ministry because he was not satisfied with his salary. He supposedly accepted the offer from the owners of the Telegraf company because he likes challenging assignments." According to the RUDE PRAVO report, Simunek's task as economic director of Telegraf Ltd. will be to "gradually liquidate the company."

Prague LIDOVE NOVINY in Czech on 11 September on pages 1 and 12 carries a 700-word interview with Jaroslav Menzel by Jiri Kubik entitled "The Debtors' Ambitious Plans." In the interview, the place and date of which are not given, Macek's business partner is asked on the basis of which guarantees the Telegraf Ltd. obtained two 20 million korunas credits (one from the Bank Austria CSFR and one from Ceska Banka). He is also asked how the Telegraf Ltd. intends to repay its debts, which the interviewer puts at 80 million korunas. Replying to the first question, Menzel says: "The figures on the credit volume are not accurate. The guarantees given were such that both Bank Austria and Ceska Banka found them sufficient." Replying to the second question, Menzel asserts that the Telegraf Ltd. "intends to meet its commitments." He says that, according to one of the clauses of the agreement on the merger of the dailies TELEGRAF and METROPOLITAN, the Telegraf Ltd. will receive 50 percent of the proceeds from the sale of the merged daily. This money should be used "predominantly" to cover the liabilities of Telegraf Ltd., Menzel adds. He "rules out" that the debts of TELEGRAF could be covered from the sale of buildings acquired by the J.R. Vilimek company.

Menzel is also asked what explanation he has for the decision of the Ministry of Privatization "to approve the privatization project submitted by a company whose entrepreneurial activity resulted in debts of some 80 million korunas in only eight months." Menzel first replies that "in the legal sense" the Telegraf Ltd. and the J.R. Vilimek company have "nothing in common." As for the motives of the Ministry of Privatization, Menzel says, "I can only assume that one of the main motives was the fact that our project was the only one that guarantees the further existence of Knizni Velkoobchod and that takes over all its liabilities with banks and state and private publishers, which amounts to hundreds of millions of korunas."

A 900-word interview with Jaroslav Menzel is also published by Prague MLADA FRONTA DNES in Czech on 11 September on page 14. In the interview, which was conducted in Prague on 10 September, Menzel discusses how he and his partner Miroslav Macek intend to make Knizni Velkoobchod a financially sound company again. He mentions, among other things, that Knizni Velkoobchod has "too many buildings" and that J.R. Vilimek therefore wants to sell or lease out about "one-half of them." In this context, he mentions ongoing negotiations with Komercni Banka on a long-term lease of one of these buildings. He notes that there is a "big chance" that Komercni Banka will pay the rent "10 or 20 years in advance." In the same interview, Menzel puts the aggregate debt of the Telegraf Ltd. at "approximately 50 million korunas."

The sale of Knizni Velkoobchod to Miroslav Macek's company is also subject of a number of commentaries and reactions by political parties.

Prague LIDOVE NOVINY in Czech on 8 September on page 1 carries a 300-word Jiri Franek commentary entitled "Two Chairs." The commentator argues that, in a case like Macek's, "the presumption of innocence does not apply." The only way to avoid the suspicion that a politician defends his private interests, he says, is "not to sit on two chairs, that is, to engage either in politics or in business."

Prague MLADA FRONTA DNES in Czech on 12 September on page 2 carries a 500-word Jan Jelinek commentary entitled "Clash of Interests." Jelinek says: "The deputy federal prime minister, deputy of the highest legislative body, and high-level official of an important political party is buying from the state property about which, by virtue of his previous functions, he may know more than an ordinary mortal. Even if he knew only what everyone else knows, the suspicion that he might know more is hanging in the air." Jelinek believes that "a citizen should have the legal guarantee that a politician defends public interest, rather than his own interest" and therefore deplores the absence of a "law that would define what constitutes a specific clash of interests between discharging government or parliamentary functions and business activity." Jelinek also warns that the Macek affair might "lower the confidence of citizens not only in one official but also in the institutions he represents—that is, in the Federal Government and the ODS."

Prague LIDOVE NOVINY in Czech on 11 September on page 12 carries a 700-word Jiri Hanak commentary entitled "Out of Love for Books." The commentator wonders how the banks, "which do not usually lend money to bankrupts," could extend yet another multimillion credit to a heavily indebted man. He also expresses disbelief in Macek's statement that it was out of "insatiable love for books" that he was willing to contract another debt.

Prague MLADA FRONTA DNES in Czech on 12 September on page 1 carries a 400-word "pen, mrs"-signed report entitled "The Civic Democratic Alliance Believes That Macek's Business Deals Damage the Coalition." The report quotes Daniel Kroupa, deputy chairman of the Civic Democratic Alliance (ODA), as having said at a news conference on 11 September that "ODA fears that the participation by Deputy Federal Prime Minister

Miroslav Macek (ODS) in the privatization of Knizni Velkoobchod might damage the entire coalition" and "will therefore demand from its coalition partner information on the whole issue." According to the same report, "addressing a news conference yesterday, Civic Movement Secretary Lubor Kinst declared that, if the Civic Movement were a parliamentary party, it would demand the resignation of the deputy prime minister. According to Kinst's words, the reasons are now becoming clear why the ODS voted against the discussion of the law on the conflict of interests in the Federal Assembly."

Prague MLADA FRONTA DNES in Czech on 15 September on pages 1 and 2 carries a 1,400-word "ben, tma"-signed survey of politicians' and political parties' reactions to the Macek affair. The survey first quotes an interpellation that was addressed to Miroslav Macek by Pavel Dostal, a Federal Assembly deputy for Czechoslovak Social Democracy (CSSD).

According to the MLADA FRONTA DNES report, "in the interpellation Deputy Dostal takes exception to the fact that Knizni Velkoobchod, whose market value is approximately 500 million korunas, was sold by the Czech Government to the J.R. Vilimek company at its book value of 60 million korunas. Furthermore, he asks Deputy Prime Minister Macek whether it is true that he acquired the necessary 60 million korunas through a credit from Komercni Banka, whose general director is his party colleague Doctor Salzmann, and what guarantees he provided for this credit, given the fact that the daily Telegraf that he had published ended with a loss of 50 million korunas."

The survey goes on to say that "Communist Party of Bohemia and Moravia Chairman and Federal Assembly Deputy Jiri Svoboda yesterday asked the Chamber of Nations' Mandate and Immunity Committee to initiate disciplinary proceedings that would clarify whether Miroslav Macek (ODS) did not misuse his status as a deputy in his private business activity and did not violate the parliamentary rules of procedure."

According to the same survey, Ales Svitek, member of the Liberal Social Union (LSU) Presidium, "yesterday announced that LSU deputies in the Federal Assembly would move that Miroslav Macek be recalled from his government post" in view of his "peculiar entrepreneurial activities." Addressing the same briefing, LSU Chairman Frantisek Trnka "expressed astonishment at the fact that Miroslav Macek acquired property at a time when he held an important office. Surely, no one doubts that he had much better access to information than anyone else and that, in his case, the authorities decided more favorably than they would have if any one of us [present at this briefing] submitted the same project."

Finally, the MLADA FRONTA DNES survey quotes the opinion of Tomas Jezek (ODA), chairman of the National Property Fund and former Czech minister of privatization. Jezek is quoted as having said: "I would like to plead for Mr. Macek. At the time when he submitted his privatization project he was merely a Federal Assembly deputy, did not know that he would keep his Federal Assembly seat, and had no idea that he would become a government official. I would like to stress that his project was the only one that addressed the problem of the enormous debt and unsalable inventories of Knizni Velkoobchod."

Prague LIDOVE NOVINY in Czech on 15 September on pages 1 and 16 carries a 250-word Petr Husak report entitled "I Do Not Forget Promises." According to the report, Czech Prime Minister and ODS Chairman Vaclav Klaus told the LIDOVE NOVINY correspondent that "he has not had time yet to familiarize himself with the case" concerning the purchase of Knizni Velkoobchod by Miroslav Macek. "I really cannot make a wholly competent statement about whether this case constitutes a conflict of interests, time will show that," Klaus reportedly added.

Complete Unemployment Statistics for Aug

AU1609125992 Prague HOSPODARSKE NOVINY in Czech 15 Sep 92 p 15

["GA"-signed report: "The Decline in Unemployment Continued in August"]

[Text]

Job Seekers and Job Vacancies as of 31 August 1992

Region	Unplaced job seekers	Newly registered		Removed from the register	Unplaced job seekers
	on 31 July		total	placed	31 August
Prague	2,084	700	739	540	2,045
Central Bohemia	14,718	2,960	2,902	2,221	14,776
South Bohemia	8,018	1,815	1,965	1,335	7,868
West Bohemia	8,426	2,103	1,771	1,189	8,758
North Bohemia	17,490	3,930	3,792	2,363	17,628
East Bohemia	15,516	3,390	3,548	2,511	15,358
South Moravia	32,061	7,324	7,468	4,985	31,917
North Moravia	41,854	8,262	9,213	5,609	40,903
Czech Republic total	140,167	30,484	31,398	20,753	139,253

Region	Recipients of unemployment benefits	Vacant jobs total	Increase (decline) in job seekers from July (%)	Rate of unemployment in %
Prague	948	20,965	-1.87	0.29
Central Bohemia	7,350	10,603	0.39	2.86
South Bohemia	4,856	5,868	-1.87	2.27
West Bohemia	4,330	9,933	3.94	2.02
North Bohemia	5,941	12,471	0.79	2.90
East Bohemia	8,381	11,456	-1.02	2.42
South Moravia	15,035	10,206	-0.45	3.12
North Moravia	17,853	12,154	-2.27	4.13
Czech Republic total	64,694	93,656	-0.65	2.65

Region	Unplaced job seekers	Newly registered		Removed from the register	Unplaced job seekers
	on 31 July		total	placed	31 August
Bratislava	13,507	1,198	1,940	1,151	12,765
West Slovakia	94,343	5,821	7,971	3,583	92,193
Central Slovakia	82,140	6,591	8,369	4,399	80,362
East Slovakia	89,020	6,069	7,093	3,743	87,996
Slovak Republic total	279,010	19,679	25,373	12,876	273,316

Region	Recipients of unemployment benefits	Vacant jobs total	Increase (decline) in job seekers from July (%)	Rate of unemployment in %
Bratislava	6,204	4,306	-5.49	4.46
West Slovakia	31,962	3,351	-2.28	12.21
Central Slovakia	28,703	3,086	-2.16	10.44
East Slovakia	24,538	4,413	-1.15	12.66
Slovak Republic total	91,407	15,156	-2.04	10.90

Antall Address Reviews Current Situation

LD1609153292 Budapest Kossuth Radio Network in Hungarian 0700 GMT 16 Sep 92

[Address by Prime Minister Jozsef Antall to special session of National Assembly in Budapest; live—broadcast in progress]

[Text] ... that they should avoid, evade the inner attraction that can be represented by political pyromania. God save the world from political pyromaniacs, on whichever side, who irresponsibly incite to incendiarism, and irresponsibly serve objectives that, by stirring up real passions, could sweep the world into catastrophe. And as it happens, when one plays with fire, even if the pyromaniacs do not manage to achieve anything, they always come to harm themselves.

It was clear, therefore, that the new government, possessing the Hungarian democratic and free-principled traditions, could set off successfully on the path of creating a well-functioning democracy, but it would find itself up against extraordinary difficulties along the way of economic transformation.

Who doubted this? Why does anyone claim that we promised an easy transformation? All our pronouncements alluded to what difficulties would accompany the transformation, and what it would mean to those who undertake the burden of government, and how unpopular, how difficult a path would have to be trodden, and that the first government, whichever it would be, would have to undertake the platform for this.

In addition, although one could find examples for the transition from a one-party state to a democratic multiparty system, there were none in respect to transformation from communist systems. I am thinking of Spain, Portugal, Greece, and so many other countries where political systems of a right-wing character could be transformed with less political and legal work because in the organic transformation of society, in the departure of their inner economic structure from the structure of private ownership, they were not able to get as far as the communist political dictatorships in the past decades [sentence as heard].

However, the creation of the social market economy that had to be set up on the basis of central planning and central distribution, in place of the socialist economy, had to be started by us without any model that could be followed, along an untrodden path. In this field we neither followed the former patterns, nor could we increase the country's foreign indebtedness. However, we had reservations regarding the side-effects of the economic methods employed in other states, the so-called shock therapy.

Politically the government, with the help of the self-sacrificing legislative work of the National Assembly—I would like to stress this, despite every criticism, so that Hungarian society should see that the Sisyphean work that the National Assembly performs and with which neither we ourselves, nor you, nor we within the government, are satisfied, and which very often limits action—it still has to be stated that in this respect the National Assembly has virtually broken the record. And in this way, with the help of this, it has been possible relatively soon to create the frameworks for constitutional statehood, the harmony of the institutions necessary for this. On account of the unavoidably increased tempo of legislation—even earlier these laws were not flawless, obviously the bills submitted by government are not flawless either; however, they have shown the intention of the kind of policy we wish to pursue in the issues that decide the fate of our nation, and we have by no means dissociated ourselves from seeking compromise in legislation, which the laws that have been passed demonstrate well [sentence as heard].

I think we can safely say that we correctly assessed the given facts of the world political system when we came to government, and in the course of its operation the government was able to adapt well even in the continuously changing international environment. Even so, when drawing up such an account, it is worth looking at what kind of role was played by the Hungarian Republic in the dissolution of the Warsaw Pact by common understanding, including the fact that we announced in good time that even if it was not unanimously liquidated we would still leave. We followed to the end the political path that in the end led to the situation that the Warsaw Pact, which did not consist of sovereign states and which had not come into being on a voluntary basis, which was created in 1955 precisely to keep this region in hand, and whose task it was also, among other things, from a Hungarian viewpoint, to ensure that the 1947 Paris peace treaty would not have to be carried out, together with the withdrawal of the Soviet troops. [sentence as heard] This step was the most important motivator of the cessation of the bipolar world system. Today it is a historical fact and a fact of diplomatic history that Hungary was not only a participant in this but the prime initiator and prime executor of this entire process.

It was possible to achieve the withdrawal of Soviet troops from the territory of the Hungarian Republic, after 47 years, so that the country could regain its sovereignty in a way that could be felt by everyone. We were convinced that as a consequence of this, no doubt in the entire region, there would be political—security political—movements that would affect those systems, even those internal and regional systems, or individual countries that had artifically come into being after various wars and whose internal tensile force was much stronger than its ability to independently keep the individual peoples within it.

Even so, the Hungarian government pursued that policy, when it was clear that these countries would not be able to continue to exist, and would perhaps fall apart, Hungary showed an attitude of nonintervention, restraint, in accordance with international and European norms and the evolved international legal regulations,

and with this it ensured that the success of our international recognition and policy should be successful even in this regard.

We can only regret—and I state this not only between the walls of this parliament—that the governments of leading big powers did not take adequate and timely heed of the calling to account in the case of Yugoslavia and in other cases affecting our region, where we took the initiative in making a timely stand; the natural reason for this is that, compared to the Yugoslav question, 18 months ago, the dissolution of the Soviet Union, or the Gulf War, the Middle East region, seemed more important to the world and the big powers than the Yugoslavia issue. Only afterwards did they realize what the Balkans mean, not only from the viewpoint of Central Europe but from the viewpoint of international politics as a whole.

We can rightly accept responsibility for the policy that we have pursued in this field, and here we can include also those issues where risks had to be taken. Risks had to be taken, for example, in the period of the Soviet putsch, in respect to the attitude we should take. We undertook the risk of standing by the side of President Gorbachev and of standing by the side of Yeltsin at a time when this was not so unequivocal. But we believed, precisely, that this would succeed, and we were able to create a direct connection. This was important because a consequence of this was a very good relationship. I would straight away like to allude to how many times it was heard in the past two and a half years that we would ruin Soviet-Hungarian politics, ruin Soviet-Hungarian relations, what huge mistakes this government is committing. Well, we did not ruin them. Only by initiating and carrying out the dissolution of the Warsaw Pact, the dissolution of the CEMA, we insisted on an increased tempo of the Soviet troop withdrawal, without accepting financial demands. There could hardly have been better relations than those that pertained to the Soviet government during this period, and which have pertained ever since to any of the successor republics. What is more, Hungary went ahead in the recognition of diplomatic relations [as heard] with the Baltic republics, and similarly with the recognition of Ukraine and other republics.

For this very reason I consider it important to note that Hungary, not only in the foreign political issues and not only in the fact that in Moscow we expressed the importance of the United States' significance to Europe, the importance of NATO being maintained, our European policy, and that alongside all this we supported the creation of regional organizations, including the former Pentagonale—today known as the Central European Initiative—and in the same way the Visegrad Three that goes with the recognition of all these [sentence as heard].

I will allude very briefly to the abolition of the CEMA. It is often heard that the loss of the eastern markets, the abolition of the CEMA was perhaps premature. I should like to indicate that if one looks at statistics then it becomes clear how far trade between the CEMA countries was already declining in the 1980's. The CEMA as an organization was not an organization of sovereign countries; on the contrary, the CEMA constrained our economic life and impeded cooperation more than once. Things happened not because we wanted to abolish it; the reason why the CEMA became clearly unviable was that these eastern economies, these East European economies had collapsed. To say nothing of the fact that in March last year the Hungarian government was the only government that demanded the dissolution of the CEMA without a successor organization, and it carried it through. I ask you: How could it be conceived, if the CEMA had been maintained in some form, to say nothing of the membership of Cuba, Mongolia, Vietnam, that afterwards there should have come about the possibility of association with the European Community?

To go on, one still has to say something about the collapse of the East European markets that were naturally obliged to place virtually their entire agricultural and industrial production, their products, at the service of this disintegrating market. The Hungarian economy demonstrated a flexibility worthy of recognition when, in the place of the collapsing markets, it found new markets, partly for itself, when it was able to make exteral economic activity profitable. However, even this could not alter the unfavorable trend [illegible]d to the regionally unequal distribution of the transformation difficulties within the country. The government for this very reason strove to help the problems of the country's eastern and northeastern counties with special programs.

Since Hungary is an actively participating country in international economic cooperation, it could not remain outside the changes perceivable in the world economy. By the same token it could not remain outside the recession, either, which in our day can be felt in virtually the entire world. The end of this recession, both in North America and in West Europe [changes thought], its causes had been uncovered, they had been examined, and the beginning of its end had been predicted for 1992. By now it can be seen that the end of the recession can be expected internationally in 1993, and then an upswing can begin.

I am honestly amazed that if in the United States or Great Britain it can be stated that after the elections there is a world economic recession which affects these leading industrial countries that have continued functioning, then why are we amazed at how seriously and catastrophically this world economic recession, as just one of the factors, affects Hungary, which is undergoing transformation, which is in a critical situation, which has barely been liberated, and which faces transformation. This shaping of facts, and their excessively optimistic judgement, cannot be simply put to the account of the Hungarian government, saying: Well, they made a mistake, they thought it would turn out better.

As for the matter of what unforeseeable difficulties are coupled with the economic transformation, what huge energy and capital is needed for overcoming them, and how much sweat it represents, that is well indicated by the fate of the former GDR. In an area which, in regard to economic

indicators, had overtaken Hungary, which with German unification immediately had unimpeded access to convertible currencies and every economic concession of the EC, where enormous capital imvestments occur to the tune of about 140 billion German marks annually, much bigger difficulties have developed than in Hungary, where industrial production fell to less than half of what it was before; the percentage rate of unemployment far exceeds the Hungarian figure, and under such circumstances a priority of the Hungarian government above all had to be maintaining its functioning ability. We did not have, (?in) the larger part of the country, an economy in a new situation, after unification with a market economy that had evolved over many decades and had been a leading economic power in Europe. We are left to our own devices, first and foremost. For this very reason, while maintaining the ability to function as our prime objective, the importance of maintaining the country's political stability has to be stressed, the creation of a whole series of laws serving the legal background of the economy, of ensuring the favorable nature of the foreign judgement of the Hungarian economy.

This is the reason why foreign capital investment is the largest compared to any other country, except for Germany. The government successfully fought against inflation, it preserved the balance of the external balance of payments and began the fastest and most successful privatization in our region. This privatization did not set as an aim the conservation of the previous economic situation; it does not want to achieve the preservation of large industry operating with a loss, but wishes to serve modernization and the future. It also wishes to promote the formation of an internal owner stratum with a favorable credit system and an employees' share ownership program; and, in addition, the Hungarian banking system and the declining interest rate following the curbing of inflation, and promotion of the gradual evolution of the venture-friendly economic policy. The fact that over half a million private entrepreneurs operate in the country shows that this work is successful. The extremely high social insurance contribution is indisputedly not venture-friendly. However, the state cannot walk away, from one day to the next, from the social care field.

It is worth therefore dealing in detail with the economy's comprehensive issues during the debate. I do not wish to exceed the time limit given within the debate's framework, I will have a chance to speak after I have learned your views. Thank you, Mr. Speaker, and consequently the government will react to the issues raised after the debate. Thank you.

Assembly Airs Views

LD1609184392 Budapest MTI in English 1346 GMT 16 Sep 92

[Excerpts] Budapest, September 16 (MTI)—Responding to the report on the government's two years in office, parliament's Human Rights, Minority and Religious Affairs Committee member Zsolt Zetenyi, of the Hungarian Democratic Forum [HDF] party, said the committee's coalition majority accepted the report.

Outlining opposition views within the committee, Gabor Fodor of the Federation of Young Democrats rejected the report saying it lacked sufficient recognition of human rights.

According to the opposition view, the government's minorities policy was characterized by indecisiveness and a slowness to act.

Fodor also criticized the government for failure to dissociate itself from negative situations, like skinhead action and anti-Semitic manifestations. In addition, he said, in the government's approach to the status of Hungarians beyond the borders there was more rhetoric than action.

Speaking about the government's first two years in office, HDF group leader Imre Konya appreciated the part played by the government in developing international relations and restoring the country's sovereignty. [passage omitted]

Economic decline, a growing power struggle, the country's balkanization and the government's decreasing popularity were the chief problems listed by Alliance of Free Democrats Leading Spokesman Peter Tolgyessy when he criticized the government's two-year performance on Wednesday [16 September].

According to Tolgyessy, it was not too late for the government to draw up a new policy for the rest of its term.

If the government put out such a programme, Tolgyessy said, "the opposition will extend constructive help to the cabinet's work."

The future for enterprises was uncertain, unemployment was growing, more people lived under the subsistence level than three years earlier and expectations of pension reforms had not been realized, he said. Also, aims set in education and environmental protection had remained unfulfilled.

According to Tolgyessy, instead of privatization, the country was witnessing renationalization. Privatization had slowed down, and had become a system of unclear relations. No fundamental restucturing of the budget and public finances had taken place and there was a considerable backlog in legislation.

In Tolgyessy's view, there was no political force with which the government was not at odds.

On behalf of the Independent Smallholders' 37-member parliamentary group, Pal Dragon recognized the government's achievements in:

—managing to handle consequences of the Southern Slav crisis affecting Hungary, including manifest provocations,

—creating a legal and institutional framework for a market economy,

—controlling inflation, which continues to fall,

—maintaining the economy's external balance,

—overcoming the collapse of eastern markets,

—concluding association accords with the EC.

Hungarian Socialist Party [HSP] President Gyula Horn called for closer inter-bank and inter-company cooperation with neighbouring countries. He proposed Hungarian diplomacy should seek to convince the West about the need for it to take part in shaping east-central Europe's security guarantees—because if it failed to do so, it jeopardized its own security as well.

Horn expressed concern about extremist groups frustrating and terrorizing the general public. He said extreme rightists "have set up their camps, somewhere near the ruling parties and executive power."

According to Horn, the government was at odds with nearly all layers of society, therefore it needed to draw up a new programme and adopt a new style. If the government managed to realize such a change, Horn said, the socialists would become partners, but if the government failed to do so, the HSP would join forces with other opposition parties and democratic forces outside parliament, to make the government change its unsuccessful policies.

Speaking on behalf of the Federation of Young Democrats, Janos Ader said the government had been weak and uncertain in economic affairs, had subordinated its activities to political campaigns, had delayed the reform of the social security system and had "let the evil spirit of Istvan Csurka out of the flask."

The government's greatest achievement in the first two years was to make the well-being of ethnic Hungarians part of its official policy, Christian Democratic People's Party parliamentary group leader Bela Csepe said Wednesday.

Christian Democrats did not agree with the statement that the government was socially insensitive, but they called for the enactment of social welfare laws as soon as possible.

Csepe also called for a more consistent change and a calling to account of those responsible for the misdeeds of the previous regime—or at least naming them.

The leading spokeswoman for independent MP's [members of parliament], Agnes Maczo, said the country was a prisoner of the agreement between parliamentary parties. In her experience, voiced repeatedly before, anybody failing to speak in the spirit of the consensus between the six parliamentary parties was denied publicity.

Antall Replies to Debate

LD1609191892 Budapest Kossuth Radio Network in Hungarian 1422 GMT 16 Sep 92

[Reply by Prime Minister Jozsef Antall to debate in special session of National Assembly in Budapest—live]

[Excerpts] Mr. Speaker, Esteemed House. I should like to point out, first of all, that today's debate that began with my introduction has already contained a few thoughts and during the subsequent debate, the responsible ministers, and government deputies together have, in fact, discussed the questions and issues, partly in reply form that otherwise would have formed part of the longer prime ministerial report. [passage omitted]

I think that the National Assembly can be totally united in agreeing that the Hungarian people, the population of the country, bears the difficulties that it feels are unavoidable, with much bitterness and sometimes with a grudge and with passion but, as is so fashionable to say, in a European way, and for this, on behalf of the entire Hungarian National Assembly and on behalf of the government and government coalition, one has to express thanks. [passage omitted]

It was said here many times, and it can often be heard in statements, that interest in us has diminished. It is said many times that people no longer pay attention to us. Well, look at the foreign television broadcasts; when is a country dealt with? When blood is being shed, houses are being blown up, and alarming dead bodies and corpses or swaying, starving children can be seen in the desert. [passage omitted]

The second thing that I would like to point out is that there are questions of various importance facing this country. Our task regarding certain international security questions is that this country has to develop its sovereignty and its system of international relations, and thank God, it does not have to fight for its survival.

However, there are problems that are still ahead of us and that will mean very difficult periods; it is enough, perhaps, if I refer to the question of Bos-Nagymaros. I state here and now in front of the parliament that the Hungarian Government did not take a single step that would have been contrary to the previous stance and resolution of the National Assembly. However, we know very well, that the other interested party does not necessarily follow our parliament's resolution. Tough and difficult negotiations, tough and difficult decisions are still awaiting this National Assembly and this government, and what is needed in these questions is not to keep pointing the finger but taking joint responsibility. [passage omitted]

Two requirements arise simultaneously. One is that the government should rapidly submit bills, hopefully perfect, to the parliament; the other is that there should be appropriate coordination with relevant professional and

social organizations. We well know that these consultations can go on almost ad infinitum. We can say this starting from the minority law—I do not want to waste time, I could list almost every bill where the same problems have arisen. Does anyone believe that, for example, in a question affecting national and ethnic minorities the government stands on one side while the united team of national minorities stands on the other? On the contrary, very often the various groups have differing stances during the course of social coordination. The government does not put forward obstacles, either in the case of the minorities or in other respects.

Naturally, I do not want to engage in a separate debate here on questions, for example, of whether this government is antiminority or not. Similar things can be stated as political slogans. I am reassured by the fact that the competent international organizations do not evaluate the Hungarian government and our minority policy in this way at all. In European relations, the minority bill we have submitted is a modern and liberal minority proposal.

Speaking about a different matter: Regarding points raised in relation to the economy. Our privatization process has speeded up. Privatization had a significant role in the increase in the number of small and medium-size ventures. In 1991, 136,000 new economic associations were created in Hungary and 431,000 individual entrepreneurs were registered. As of today, since the legal and institutional requirements of privatization have been completed, this favorable situation has indeed helped the inflow of foreign capital. In 1992, the inflow of working capital increased significantly [words indistinct]. Although the results of privatization under way in the region are difficult to compare, our advantageous situation is indicated in an objective way by the fact that around 60 percent of the capital invested in Central and East Europe has come to our homeland, if we do not count the former GDR.

In 1991, the transformation of state enterprises into economic organizations increased eight-fold compared to the previous year. At present the transformation of around 600 enterprises is under way. The incoming revenue from the sale of state assets in 1991 was around three times that of 1990, and in the first half of 1992 one and a half times the revenue of the previous year has come in already. These figures perhaps prove that the government is not at all striving for renationalization, but with every measure, for example, of getting the group of privatization laws adopted, it is serving the further development of privatization.

I do not want to deal separately with the question of what compensation means, and the debate that took place in this house regarding compensation and how it relates to our country's demands. Of course, one cannot satisfy everyone, one cannot give everyone satisfaction. There were people who adopted the position of "all," and those who took the position of "nothing." This could be adopted by parties, by certain social groupings, but the all or nothing policy could not be undertaken by a responsible government. For just this reason, we took a position for compensation as part of privatization. [passage omitted]

This government did in fact undertake to carry out this government program in the course of four years, coordinating it with the circumstances, the possibilities. We will continue to undertake this in the future, too, and also the economic questions that were answered by Ministers Kadar, Mihaly Kupa, Ivan Szabo, and which were heard in this house. That is, we know, what kind of difficulties caused the fact that there were no suitable incomes. We know what kind of inevitable or not inevitable mistakes contributed to the fact that there were difficulties in Hungary in collecting customs and taxes. However, in a country where the economy did not operate like this for decades, but in a monolithic economic and political system, it was not necessary to handle these questions in this form, these mistakes did in fact happen, and it is in fact necessary to correct these mistakes. [passage omitted]

I believe that the government's duty is to carry out its planned program in the course of a four-year period. The government undertakes this, and the government will carry this out in every political sphere, and in the interest of all, in the following period at its disposal, the government undertakes responsibility for the country's security under difficult circumstances, for the country's ability to function under even less easy circumstances, and for the country's transformation, and it will carry this out. Naturally, the government is responsible for this, and those who asked who is responsible for what, I am aware of the Hungarian Constitution, I am aware of the oath that I took, that I am responsible for this as prime minister. [passage omitted]

I thank the esteemed house for the remarks and analyses, and I also thank you for livening up the government coalition and my fellow ministers by your various critical remarks, for urging them to give answers. At the same time I also thank you for the fact that although I am convinced on the basis of the contributions that dialogue is in fact very necessary, it is necessary to listen to and accept critical views, but we did not hear such views or guidance which differed significantly, or at least in substance, from the above. Do not take this as arrogance, even less as gentry arrogance [uri arrogancia], but consider it to be my special appreciation of the fact that the moderate, analytical part of the opposition's contributions acknowledged that the issue here is not the government's certain mistakes on the most important issues, but that they could not have done otherwise in our place. Thank you for your attention.

Imports of Russian Oil To Increase 50 Percent

LD1709103592 Budapest MTI in English 0633 GMT 16 Sep 92

[Text] Budapest, September 16 (MTI)—Some 50 per cent more oil is to be delivered to Hungary this year via

the Friendship pipeline than in 1991, the director of the *Hungarian Oil and Gas Co.*, Gabor Jozsef, told MTI.

Russian imports had to be powerfully increased as oil deliveries on the Adria pipeline have been suspended since September 16, 1991, due to the South Slav war.

Major oil deliveries arrived from the Mediterranean region first in 1990, when the former Soviet Union delivered only 5 million tons of oil instead of the 6.4 million tons set down in contracts. The lacking amount of some 1.4 million tons was delivered mainly from Iraq, Algeria, Nigeria and Libya through the Adria pipeline.

Last year, until September 16, some 2 million tons of oil arrived on the Adria pipeline, as the amount of Russian imported oil declined to 3,350 million tons.

This year, Hungarian economy needs some 5 million tons of imported oil, and the amount will be delivered in full via the Friendship pipeline. Of this amount, Hungary imports 2 million tons on the basis of commodity barter agreements, and the greater part of the remaining 3 million tons is to arrive in Hungarian refineries with the mediation of Western oil companies.

Socialist Party Calls on Fonay To Resign Post

AU1709111992 Budapest MTI in English 1255 GMT 15 Sep 92

[Text] Budapest, 15 Sep (MTI)—The Budapest Council of the Hungarian Socialist Party (HSP) issued a communique on Tuesday [15 September] calling on National Council of Political Prisoners President Jeno Fonay to resign from his post of vice-president of the World Federation of Hungarians.

The document refers to a statement made by Fonay at a rally near Budapest last week. The rally was covered by the TV evening newscast "ESTI EGYENLEG" (EVENING BALANCE) on Monday and the Wednesday morning news "A REGGEL" (THE MORNING). The rally had originally been filmed by local cable television.

Fonay said, "....He who condemns fascism in 1992 is a base Bolshevik stooge. And we are not going to let this Bolshevik stooge live among us and dictate."

The communique points out that there can be no explanation for such a shocking statement, and calls on Fonay to resign as vice-president of the World Federation of Hungarians.

"We find it shocking that a leader of the World Federation of Hungarians could emerge as a new champion of Nazism in 1992," runs the document.

Small Constitution Remains 'Uncertain'

AU1609172992 Warsaw RZECZPOSPOLITA in Polish 14 Sep 92 pp 1, 2

[Malgorzata Subotic article: "Do Poles Understand the Concept of Cost"]

[Text] The fate of the Small Constitution, six weeks after it was passed by the Sejm, is as uncertain as it was on the day that deputies achieved that difficult compromise. The decision made by the Senate on Friday [11 September] does not make it any easier for the president to choose between signing the law or exercising his presidential veto. The period leading up to a decision might see a heightened level of activity in politics.

It is true that senators proposed several dozen amendments, but those strengthen the position of the Senate and not that of the president. There was also a clear majority against the proposal to reject the Small Constitution in its entirety. That would have provided Lech Walesa with an additional argument if he were to decide not to sign the law. So, nothing has changed.

It is the government that gains the most from the Small Constitution's redefinition of relations between the executive and the legislature. The Council of Ministers has the right to issue decrees once it has been empowered to do so by the Sejm. That possibility already exists, but two-thirds of the Sejm has to approve it. If the new law comes into force, the government will obtain special plenipotentiary powers if such a proposal receives the support of a simple majority. Hanna Suchocka's cabinet has that kind of majority, although a fragile one, in the Sejm. That is true of every cabinet elected by a parliamentary coalition. It would also become more difficult to remove the government. The law does not as much alter the president's powers as make them more precise. According to lawyers, it does not, however, eliminate the possibility of disputes over authority.

President Lech Walesa, Jaroslaw Kaczynski, leader of the Center Accord, and Jan Olszewski, leader of the Movement for the Republic, are united in their view of the Small Constitution although the mutual animosity felt by those politicians has been one of the determinants of what goes on in the country for a long time now.

Through his official Lech Fandysz, Walesa has been arguing that the law does not "provide an appropriate balance between the Sejm and the president." That is to say, the president's powers are too limited. Chairman Kaczynski maintains the opposite. The conclusion is, however, the same: The Small Constitution, at least in its present form, should be rejected. Jan Olszewski agrees with them.

Despite expressing reservations, representatives of the parties in the coalition government are firmly in favor of the Small Constitution. Especially united in their support for it are the Democratic Union and the Liberal-Democratic Congress, groupings that, according to the opposition, occupy a dominant position in Prime Minister Suchocka's cabinet. Bronislaw Geremek, the chairman of the Democratic Union Parliamentary Club, stresses that the law was a comprise achieved with difficulty, and that it is not possible to achieve any other kind of compromise in this parliament. Liberal leader Donald Tusk believes that the Small Constitution provides a chance to increase the effectiveness of government and thinks its "rejection would reduce the present parliament's chances of survival."

The chairman of the Center Accord increasingly fears "the open eradication of Polish democracy." He believes that the way events are unfolding might end in "the assumption of power by the president." That view does not, however, incline Kaczynski to support the Small Constitution that could strengthen Suchocka's parliamentary government. Special powers would give the cabinet, at least, a chance of ruling on a fairly lasting basis. It would also result in a relative reduction in the significance of other centers of power, including the presidency. The fact that the government is considering the possibility of applying for the right to issue decrees was mentioned by Deputy Prime Minister Goryszewski on Saturday [12 September]. Indications that the government has such intentions had already appeared earlier.

Politicians close to Olszewski say that Lech Walesa has not accepted the formation of the Suchocka government and is preparing for its collapse. They argue that he is a person who does not abandon his ideas, and that one of those was a "presidential government, most probably led by Waldemar Pawlak or Andrzej Olechowski. The first stepped down as prime minister not long ago, and the second was appointed an adviser to the Belweder a few weeks ago.

Olszewski's people, who are opposed to the present government and are predicting that it will inevitably fail, have therefore been calling for the creation of an "antipresidential coalition." They point to Walesa's contacts with the "Network" [informal association of "Solidarity" plant trade unions] that would supposedly be the president's army if all else fails. So far, they have announced the formation of a federation of the right on 20 September.

It will take about another six weeks for the fate of the Small Constitution to be settled. The Sejm must express its position on the Senate amendments (which will take place in the next week or two), and the president has a month in which to sign or veto it. Developments in Polish politics and the indications that there will be various party shakeups suggest that this will not be a quiet period. It may end with the Small Constitution becoming law, which would determine the political role of those who decide or want to decide about the country. Work on the Small Constitution may have to begin anew, if the president exercises his veto and the Sejm does not obtain the two-thirds majority needed to overrule it. A course of events in which the following cynical

statement made by Bogusław Bagsik (of the Art-B Company) might come true is also possible: "We cannot really afford democracy all that much because it involves costs, and Poles do not understand the concept of cost."

Walesa Comments on Economic, Political 'Elites'

LD1609214492 Warsaw Radio Warszawa Network in Polish 1005 GMT 14 Sep 92

[Text] President Lech Walesa, in an interview with journalists working with Polish Radio's external programs, answered questions on how Poland is viewed from abroad, the security of the state, cooperation with the government, and the dangers facing the reform process. Answering a question on what political elites can—or perhaps should—do to change the way Poland is viewed abroad, the President said:

[Begin Walesa recording] Since you have asked me about elites, sir, then I have to say that I think elites should be separated. Economic elites must think about the economy, see how they can organize themselves, and (?find a) program for the state. Political elites—since we are talking about elites—should do all they can to move around in jobs to ensure that they have good positions within these elites, but patriotic elites—and this is what it is all about—should meet the system (?being built) halfway. They should not think of themselves but go out and, together with society, build the right system. The right system....[changes thought] It is not working in our country for the time being because at the roundtable [talks in 1989], the elite linked to Lech Walesa sat down to play with the communist elite. The communist elite thought it would (?outbid) us and win, and we bet that we would win. It turned out that we did win, but as elites.

Once victory is achieved, our task is to help in living. That is, our formula, which was atypical—although it was essential to win—should now serve to build a [word indistinct] formula. Journalists, electricians, and shopkeepers should fight for their own interests, organize themselves to defend these interests, get local councillors, get deputies in the Sejm, and take over [word indistinct] and the mass media for their own goals and for their own defense, taking them away from those who happened, as elites, to acquire what should have been acquired. The elites should work to serve such correct and systematic building. [end recording]

Spokesman Says Olszewski Should Apologize to Walesa

LD1709094792 Warsaw PAP in English 2037 GMT 15 Sep 92

[Text] Warsaw, Sept. 15—Andrzej Drzycimski, spokesman for President Lech Walesa, on Tuesday [15 September] sent a letter to former Prime Minister Jan Olszewski, former Ministers and Deputy Ministers of Defence and Internal Affairs Jan Parys, Romuald Szeremietiew, Antoni Macierewicz and Deputy Kazimierz Switon in which he protests against linking Lech Walesa with the case of an agent of the former security service nicknamed "Bolek".

Recalling that many politicians have publicly denied the existence of Lech Walesa's file, Drzycimski points to the statement made by Jan Olszewski himself in which the latter admitted that such a forged file was prepared during martial law by the then Security Service (SB) so as to make it impossible for Walesa to receive the Nobel Prize.

Moreover, Drzycimski mentions another statement by SB General Zbigniew Pudysz who has disclosed methods of building-up a false image of the then "Solidarity" union leader.

Furthermore, the spokesman relates words said by former Minister of Internal Affairs Krzysztof Kozlowski who acknowledged that all materials were forged. According to Kozlowski reports from apprehensions and hearings constituted a routine basis for opening a file without the knowledge and consent of the apprehended.

In this context, Drzycimski emphasizes, "the silence of those politicians who have charged the president and later failed to deny those charges can be perceived not only as immoral but also as directed against the interest of Poland. "Would you, as one of those who have put in motion the mechanism of slanders, have enough courage and strength to publicly ask President Lech Walesa for forgiveness", asks Drzycimski in conclusion of his letter.

Goryszewski Confident for Government Until Election

LD1609125492 Warsaw PAP in English 1114 GMT 14 Sep 92

[Text] Warsaw, Sept. 14—Deputy Premier Henryk Goryszewski on Monday [14 September] said in an interview for the Radio "Zet" that his government would be in charge till the 1995 election.

Assessing the work of the government he said it operates pretty well but agreed there were certain difficulties, which in his opinion was a normal situation in a coalition government. There is a strong drive for good relations in the government, he added.

According to the deputy premier the government coalition needs about 30 votes more to receive a satisfactory majority in the parliament.

The deputy premier stressed his hope for the improvement of economic situation in Poland. This would be possible if we had a 4 percent rise in the national product next year, he underlined.

Minister Unveils Promotional Strategy for Economy

LD1709085492 Warsaw PAP in English 2007 GMT 15 Sep 92

[Text] Warsaw, Sept. 15—Minister for Foreign Economic Relations Andrzej Arendarski explained Poland's new strategy designed to promote the economy to members of the Diplomatic Corps at a meeting held on Tuesday [15 September].

Minister Arendarski emphasized that perceptions of the Polish economy abroad are often unjust and damaging, and announced that a new quasi-governmental promotional agency, co-financed by the state and private business, will be charged with presenting a more accurate and attractive picture.

Arendarski stated that he supports a free market economy, however, added that in some sectors state intervention, acting in accordance with clearly defined criteria, is absolutely necessary and that such a policy is necessary in the area of the privatization of foreign trade.

The minister identified the influx of foreign capital, new technologies and the development of export trade as factors significantly effecting economic development. Great opportunity lies in Poland's association with the EC in the area of the development of export trade, but just as important are economic links with Poland's neighbours to the east and cooperation within the framework of the "Visegrad" triangle, comprised of Czechoslovakia, Hungary and Poland.

World Bank Report Shows Reduced Loans to Poland

LD1709095892 Warsaw PAP in English 2138 GMT 15 Sep 92

[Text] Washington, Sept. 15—Last year the World Bank granted Poland 390 million dollars in loans, as against 1.4 billion dollars a year earlier, the World Bank annual report released on Tuesday [15 September] said.

Tim Cullen responsible for information in the World Bank attributed the decrease in loans to the accumulation of new loans by the end of 1990-91, but also mentioned prolonged political discussions in Poland.

All in all, since late 1980's when Poland again joined the World Bank, this country received loans worth 2.6 billion dollars, and of this sum it used 500 million dollars.

In the period 1991-92 the World Bank granted Poland three loans, namely, 200 million for the development of housing, 130 million for reforming health care system and 60 million dollars to develop small- and medium-sized private businesses.

A 300-million dollar adjustment loan for Polish agriculture, negotiated last June, is waiting to be approved by the board of governors.

The report notes that Poland's budget deficit grew because of a decrease in budget revenues from taxes, mainly due to the drop in the production of state-owned enterprises that are unable to pay taxes.

As a result, Poland, which succeeded in reducing its 1989 hyperinflation to a 60-per cent inflation rate in 1991 is now forced to make budgetary cuts so that not to hamper the already achieved stabilization.

According to the report Poland and Hungary have the longest experience in restructuring enterprises and giving businesses autonomy. Their private sectors employ 25 per cent of these countries' workforce.

Solidarity Leader Defends Right To Protest

LD1709090192 Warsaw PAP in English 2029 GMT 15 Sep 92

[Text] Warsaw, Sept. 15—Leader of the Mazowsze Solidarity Chapter Maciej Jankowski said Tuesday [15 September] that "the centres of power must understand that people have full right to expressing their dissatisfaction this way or another."

Jankowski last Monday led a thousand-strong group of unionists to demonstrate in front of the House of Parliament, the Cabinet's Office and the Belvedere Palace. Following this he received a letter from Minister Mieczyslaw Wachowski of the Presidential Office in which the latter expressed his "astonishment" at the "differences between the postulates handed over by Jankowski to President Lech Walesa lately, and the slogans that the protesters chanted during their march."

Jankowski denied that he had handed any postulates to the president during their recent meeting. "I have only presented my view that we shall not succeed in reforms without a coherent economic programme and a legal system and without social costs being taken into account," Jankowski said.

Jankowski admitted that some angry slogans were shouted by representatives of groupings who joined the protesters, among them members of the Nationalist Party led by Boleslaw Tejkowski.

Commenting on the strike that has just ended in the FSM small car factory at Tychy, southern Poland, Jankowski did not rule out that it might have been partly manipulated by Western capital.

Deputy on Effects of Political Vetting in Army

LD1709105992 Warsaw PAP in English 1741 GMT 15 Sep 92

[Text] Warsaw, Sept. 15—Deputy Minister of National Defense Bronislaw Komorowski told M.P.'s [members of parliament] Tuesday [15 September] that if decommunization were introduced in the Armed Forces, the Polish Army would lose almost the entire personnel in commanding posts.

Members of the Sejm (lower house) Defense Committee from four parties backed the idea of political vetting of Army officers in active service, while M.P's from three other parties opposed it.

Komorowski pointed out that the advocates of radical vetting were going against the tide of public moods as gauged by opinion polls. Surveys have shown that the Army enjoys great trust of the Poles, greater even than that enjoyed by the church, police and the parliament.

Finally, the committee resolved to make a request with the Sejm Presidium to include its members in the legislative work on the 6 draft laws on decommunization now in the Sejm. In the absence of such a request, the work would be done by the legislative and justice committees only.

Estimates presented to the committee Tuesday show that if a radical version of decommunization laws were applied to Army personnel, 432 general-rank posts would immediately be vacated, and the same would happen with 6,987 colonel-rank posts and 26 military attaches working abroad.

This would be the consequence of the fact that 92 percent of all Army officers, and 100 percent of generals and colonels, were Communist Party members. The figure for regiment commanders was 99 percent. What is even more important in view of the decommunization drafts, almost all officers who held party cards were members of party authorities at various levels. This would now make them the victims of decommunization laws.

The head of the personnel department of the Defense Ministry Zbigniew Skoczylas told committee members Tuesday that in 1990 and 1991 some 14,000 Army officers, most of them of senior ranks, were relieved from service.

Union Opposes Sale of Land to Foreign Nationals

LD1709034792 Warsaw PAP in English 1712 GMT 15 Sep 92

[Text] Warsaw, Sept. 15—The Private Farmers Solidarity (NSZZ RI) opposes sale of agricultural land to foreign nationals, said its chairman Roman Wierzbicki at a press conference held here Tuesday [15 September].

The union is concerned by the offer made by the State Agricultural Agency, managing former state farms and responsible for their ownership transformations, to lease and sell land to foreign investors. According to Wierzbicki, land and assets of the former state farms should be taken over by Polish farmers.

Leaders of NSZZ RI are of the opinion that ownership changes in Polish agriculture should be carried out under social control. For instance, social commissions should be consulted on proposed restructuring of state farms and monitor auctions of treasury property.

Wierzbicki took issue with the view that there was little interest among Polish farmers in buying land formerly cultivated by the state farms. He admitted, however, that the farmers do not have enough money to buy state land. As a solution to the problem the union proposes that farmers be given a chance to lease the land under long-term contracts.

Poll Reveals Less Optimism for Future

LD1609131592 Warsaw PAP in English 1412 GMT 14 Sep 92

[Text] Warsaw, Sept. 14—The number of Poles who expect that the situation in Poland would improve within a year has dropped by 6 points since July and reached 20 per cent, according to a poll conducted by the Public Opinion Research Centre (CBOS) on Sept. 2-7.

Thirty-five per cent of those polled (7 per cent rise) expect this situation to deteriorate in a years' time, while 34 percent say the situation would not change. In July the figure was 27 per cent).

In the September poll, 22 per cent of Poles said the political situation would improve (in July—30 per cent), while 16 per cent took an opposite stand (in July 11 per cent). Thirty-nine per cent of the respondents claimed the political situation would neither improve nor deteriorate and 23 per cent held no opinion on the issue.

Asked whether Poland's economic situation would improve, 22 per cent said "yes" and 31 per cent said it would not. 46 per cent forecast their living conditions will be worse, and only 13 per cent of the respondents are optimistic about it.

Nastase Summons Envoy To Protest Lebed Statement

AU1609192792 Bucharest ROMPRES in English 1829 GMT 16 Sep 92

[Text] Bucharest ROMPRES, 16/9/1992—Romanian Foreign Minister Adrian Nastase called Wednesday [16 September] the ambassador of the Russian Federation to Bucharest for the interview General Aleksandr Lebed, Commander of the 14th Army deployed in Moldova, granted with the OSTANKINO television station on September 14, 1992. On that occasion General Lebed made several statements the Ministry of Foreign Affairs of Romania assesses as offending. So, for instance, asked what objections could be brought to the tricolor [banner of Romania and Moldova] which is not accepted by the Dniester Republic's leaders in the area of the Republic of Moldova under his army's control, he said: The tricolor is Antonescu's [Romanian state leader during World War II] flag, the flag of Romanian fascists.

During his interview with the ambassador of the Russian Federation, the Romanian foreign minister requested him to check up the information supplied which is inadmissible when coming from a person that cannot be considered private. The Ministry of Foreign Affairs is expecting that General Lebed is officially told off by the Government of the Russian Federation which also should clearly disavow such insulting, irresponsible, and unqualifiable statements, specified the foreign ministry spokesman, Ambassador Traian Chebeleu, at the weekly news conference.

On the same occasion he stated that General Lebed's assertions surprised and indignated the more so as they came from a military leader who ought to know the symbolic values of a national flag. It is also surprising that, despite certain public statements made by the Russian Federation's army leadership that forbade General Lebed to make statements on the radio, television, and to the press, he continued freely to libel Romania and the Republic of Moldova, also undermining the climate of their relations with his country. We think such statements can be seriously detrimental to Romania's relations with the Russian Federation, said the foreign ministry spokesman.

Ambassador Traian Chebeleu, further said that the ministry he represented was worried as regards information from the Republic of Moldova, referring to the fact that the leaders in Tiraspol use the presence in the security zone of peace-keeping forces to strengthen illegal state structures in the Dniester region. Chebeleu told the September 16 press conference that no progress had been made so far on the granting of a special status to the Dniester area of the Republic of Moldova. There are signals, he added, that the leaders in Tiraspol have real possibilities to block a long-term political solution of the conflict, which could question, at a certain moment, the good will of some of the partners in the negotiations. It was also mentioned that no progress was made in the negotiations on the status of the 14th Army of the Russian Federation and its withdrawal from the Republic of Moldova. The negotiations were put off several times, mentioned Ambassador Traian Chebeleu.

Romania's Government, said the spokesman for the Romanian Foreign Ministry, continues to pay particular attention to the development of special ties with the Republic of Moldova and to the efforts for a political solution of the conflict in the Dniester region. As for this latest issue, Romania's delegation to the meeting of CSCE High Commissioners, that started in Prague on September 16, will take action for a deeper involvement of the CSCE mechanisms and structures in the efforts to find a political solution to the conflict in Dniester, said Ambassador Traian Chebeleu.

The spokesman of the Romanian Foreign Ministry also informed during the weekly news briefing, that consultations had been completed in Brussels with the partner states in the North Atlantic Cooperation Council on the sending to Romania of an international expert mission for the cooperation with other states on the embargo against Yugoslavia. The latest developments in the Yugoslav conflict conduced to the agreement that the observer mission should be placed under a joint EEC-CSCE aegis. Consequently, the issue itself and the unofficial draft mandate have been remitted for examination to the meeting of the CSCE High Commissioners scheduled for 16-18 September in Prague.

As far as Romania is concerned, the draft provides the deployment of a mission consisting of four teams, two customs experts each, empowered to assist the Romanian authorities. The mission shall be headed by a higher customs officer to be based in Bucharest and in charge of liaison with government authorities.

The spokesman also informed that Foreign Ministry Secretary of State Theodor Melescanu paid a short visit to Belgrade on Tuesday, 15 September, for routine bilateral consultations that have become a current practice between the Foreign Ministry of Romania and its counterparts in Yugoslavia and the former Yugoslav republics. The consultations were centered on the latest developments in the Yugoslav area and the prospects of a political solution of the issue.

Mr. Melescanu stated that Romania, although incurring great losses due to the breach of its economic relations with Yugoslavia, was determined to further observe the UN sanctions and also see that the sanctions against Yugoslavia were observed, inter alia by inviting foreign observers.

The spokesman informed that Monday, 21 September, a regional project was due to start in Bucharest on the "education for security" in Europe, prepared in Romania, Bulgaria, the Czech and Slovak Federative Republic, Poland, and Hungary by the U.S. Institute for East-West Security and Cooperation with the above countries' ministries of foreign affairs and defense.

Leaders, Press Comment on Timisioara Incident

AU1609134692 Bucharest ROMPRES in English 1252 GMT 16 Sep 92

[Text] Bucharest ROMPRES, 16/9/1992—The Romanian Democratic Convention [CDR] is in no way responsible for the incidents in Timisoara, during which Gheorghe Funar, presidential candidate on the slate of the Romanian National Unity Party [PUNR], was attacked, Ion Diaconescu, vice-chairman of the convention, told the newspaper EVENIMENTUL ZILEI condemning such incidents and urging that "the current election campaign proceed in fairness, according to methods compatible with democratic principles."

"It is regrettable," says Victor Surdu, chairman of the Agrarian Democratic Party [PDAR]. "No matter who is concerned, the election campaign should know of no such treatment. There are other means to express your disagreement with public persons or to different political ideas."

"I regret this incident very much," Radu Campeanu, chairman of the National Liberal Party [PNL] points out. "No matter who the candidate is, he has a right to have his say. I have no sympathy for Mr. Funar's ideas, but this does not mean we should throw stones at him. This is the first act of violence in the current presidential campaign and I wish it would not recur. I am surprised at what happened."

In his editorial in EVENIMENTUL ZILEI, Ion Cristoiu writes inter alia: "The normal, smooth run of the election campaign, about to reap applauds from the world, was suddenly stopped by what news items from the spot call the incidents in Timisoara.

Just like all the aberrations that happened before, that incident will lead to passionate controversies. Beyond them, however, there are several certain things. The effects of the incident on the election campaign and on the vote on September 27. Clearly, the incident in Timisoara is not a good sign for the climate of the campaign and of the elections. Raising the political temperature they risk to entail other acts of violence. So far the political forces involved in the battle have strictly observed the rules of the democratic game—to allow and even create conditions for the opponents to carry on election tours. An exception from the rule was the booing of President Ion Iliescu throughout his election visits by the adepts [followers] of the CDR in localities administered by that coalition of parties."

In her turn, Pia Serbanescu shows in her commentary in ROMANIA LIBERA: "I thought that after two years in which the country lived through so many strange happenstances, everyone understood that we should not worsen an already precarious situation. The election campaign was decent so far. We did not expect the act of violence against a man free to enter any town in his country and, especially, a town known so far for its tolerance and wisdom. Discontent with one politician or another should not be shown in a way that eventually casts an undesired shadow on the ones who are discontented."

Government 'Disapproves'

AU1709110392 Bucharest ROMPRES in English 1924 GMT 16 Sep 92

[Text] Bucharest, ROMPRES, 16/9/1992—The Romanian Government disapproves of the incidents that took place in Timisoara Tuesday [15 September] during the election campaign of one of the candidates for presidency, shows a statement released by the Government's Press Office.

We think such incidents affect the atmosphere of balance and urbanity for which all candidates and all political parties have opted.

It is quite disappointing to see that at the end of a campaign assessed by many observers as decent such phenomena compromise the general efforts toward observing the principles of democracy. We hope that intolerance shall not engender further intolerance. We also assure the electorate and its candidates that, as for the Timisoara incident, the police will do every effort to identify the culprits that must obey law's rigors [sentence as received].

The government also decided to strengthen the measures for the candidates' protection so as to prevent incidents which, though [word indistinct] groups, may affect the prestige of all competitors and lose the citizens' confidence in the election process, the statement specifies.

FSN Issues Communique

AU1609185492 Bucharest ROMPRES in English 1559 GMT 16 Sep 92

[Text] Bucharest, ROMPRES, 16/9/1992—The National Salvation Front [FSN] blames the incidents in Timisoara during the election tour made by the presidential candidate of the Romanian National Unity Party, Gheorghe Funar, and urges all democratic forces to dissociate themselves from those incidents. In a communique, the FSN shows that political and electoral debates should not turn into street clashes but should be maintained on the level of confrontations of political and ruling programmes. "We believe," the communique reads, "that the forces behind the incident want to attain a capital of electoral compassion at the nefarious price of a negative sign of Romanian realities."

Liberal Party Comments

AU1609200992 Bucharest ROMPRES in English 1903 GMT 16 Sep 92

[Text] Bucharest, ROMPRES, 16/9/1992—The National Liberal Party-Young Wing and the National Liberal Party-Democratic Convention—that form a liberal alliance in the Democratic Convention, mentioned that the "so-called 'Body for the Reorganization of the National

Liberal Party' is not another liberal fraction, another party, but a purely consultative body",that has set itself the task to purify the National Liberal Party (headed by Radu Campeanu), that is nothing but a group of interests". Along the same line, deputy Dinu Patriciu, a leader of the National Liberal Party-Young Wing, stressed that this body for the reorganization of the National Liberal Party had been created at the right moment, and, as a result, "the National Liberal Party headed by Radu Campeanu might not get the 3 per cent necessary to enter parliament".

Referring to the recent incidents in Timisoara, on the attack on Gheorghe Funar, presidential candidate for the Romanians' National Unity Party, the leaders of two Liberal Party unanimously disapproved them, and underlined that they were not made by Romania's Democratic Convention.

FDSN Discusses Incident

AU1709072092 Bucharest ROMPRES in English 1911 GMT 16 Sep 92

[Text] Bucharest, ROMPRES, 16/9/1992—At the weekly press conference of the Democratic National Salvation Front Party (FDSN), the spokesman for that party, Dragos Pislaru, expressed "sorrow" at the attack on the Romanian National Unity Party's (PUNR) candidate for president in Timisoara. "It is regrettable and certainly it will be speculated by certain international quarters. The idea has already been uttered by some political forces in the country that FDSN is the political ally of PUNR," said Mr. Pislaru "the recent announcement of the Socialist Party of Labor whereby it supports the FDSN candidate for president is an internal matter of that political grouping and not an outcome of talks or alliances between the two parties," said he.

FDSN President Oliviu Gherman, who was invited to the press conference, appraised the party's membership at 40,000 or so. He also specified that the FDSN did not intend to make post-electoral alliances only to win a majority, if it were to take part in government. "Those political forces that do like the principles of our political programme can become government partners," stated Mr. Gherman.

Police Identify Persons Involved in Incident

AU1609195492 Bucharest ROMPRES in English 1843 GMT 16 Sep 92

[Text] Bucharest ROMPRES, 16/9/1992—While making investigations to clear up the instances conducive to the acts of disorder at the Orthodox cathedral in Timisoara on September 15, which resulted in the attack on Mr. Gheorghe Funar, a candidate for Romania's president nominated by the Romanian National Unity Party (PUNR), police bodies identified ten of the persons that took a direct part in them.

According to a press release of the Police General Inspectorate press office, they are: Costinas Iosif, a journalist, Barani Francisc, a physician, deputy of the Democratic Union of Hungarians in Romania [UDMR], Chiticaru Constantin, a former officer in the Ministry of National Defense, Gaguy Paraschiv Ladislau, a journalist, Orban Traian Gabriel, a physician, Dop Ioan, a physician and university instructor, Pop Ioan, an electronics engineer, Cherlea Simion, a zoo technician, Panescu Sevastian Teodor, a physician and university instructor, and Farcas Zoltan, the bell ringer at the cathedral [al names as received].

Police bodies are to take measures against these persons and punish them according to the law.

Iliescu: Election Cannot Be Won in First Round

AU1709110692 Bucharest ROMPRES in English 0728 GMT 17 Sep 92

[Text] Bucharest, ROMPRES 17/9/1992—Instead of the exposition with which Romania's president uses to begin his news conferences, Ion Iliescu, a presidential hopeful as well, made a brief statement on September 16 at the meeting with Romanian and foreign journalists: "It is one thousand days now since the beginning of the Romanian revolution.

"I would like to take this opportunity to pay homage to those who sacrificed themselves for the cause of the Romanian revolution and to those who have remained truthful to the cause and program of the Romanian revolution."

A crossfire of hard, even "nasty" questions was expected to be targeted at the presidential candidate. Instead, only old questions were launched, like "do you still believe in communism?" "are you an atheist?" "are you for the reform?" "why are you accusing the opposition and the opponents?" etc.

About the attacks on the opposition, Ion Iliescu said he did nothing but quote the respective persons. So, he quoted the statement Corneliu Coposu, leader of the Christian Democratic National Peasant Party made, in an interview with a Polish newspaper, who said that "2000-3000 communists and some 800 judiciary cadres have to be liquidated and even referred to the nomenclature of the Orthodox Church."

As regarded Emil Constantinescu, candidate Iliescu quoted him: "I will resign in order to bring the king to the country."

In connection with the incident in Timisoara for which the Democratic Convention was blamed, Ion Iliescu said he used all the information relayed from there".

Ion Iliescu opined that "the presidential election could hardly be won by anyone on the first round /.../. On saying that he considered a possible amount of indifference of the electorate but also the constitutional provision according to which the future president could win only with a simple majority of the total electorate, which

would require that at least 80 percent of the electorate should report to the polling stations.

Ion Iliescu said he was not on the side of those who sustained the necessity of a law of the press, but he advocated a civilized, moral press, professional deontology of the journalists. He was not interested in the result of journalist Sorin Rosca Stanescu's trial that starts on September 17, but in defending a principle: the slanderer's liability before the law.

Answering the question referring to Romania's stand in external relations, Ion Iliescu reiterated the multiple Romanian contacts at a parliamentary, presidential and governmental level, with stress on the recent talks in Spain and at Vatican. As regarded the much talked of "influence" of Moscow, the respondent reminded, besides his known stand, the necessity that the country should have good relations, while keeping the wide opening to the West, with the neighbour countries and, of course, with the big powers, Russia included.

Likewise, Ion Iliescu declared positively for privatization in the context of continuation of the economic reform, for the country's further democratization in all spheres of sociopolitical life.

Polling Stations To Open for Romanians in Hungary

AU1709073492 Bucharest ROMPRES in English 1923 GMT 16 Sep 92

[Text] Bucharest, ROMPRES, 16/9/1992—To come in support of the Romanian citizens in the territory of Hungary and to avoid a recurrence of the difficulties encountered during the May 1990 elections, Romania's Embassy in Budapest will arrange five polling stations for the September 27 elections as follows: two in Budapest, and the other three in the towns of Pecs, Gyula and Debrecen, specified the spokesman for the Ministry of Foreign affairs at the weekly news conference on September 16.

Organizational measures are to be taken so as the election bureaus in the five polling stations should have representatives of the political parties and one home observer. Measures are also to be undertaken for the technical equipment of the Romanian Embassy in Budapest.

Government Passes Investment Promotion Document

AU1609195092 Bucharest ROMPRES in English 1836 GMT 16 Sep 92

[Text] Bucharest ROMPRES, 16/9/1992—The Government of Romania approved, in its latest meeting, the agreement concluded with the United States of America for the promotion of investment between the two countries. Under the agreement, Romania will be granted the insurance and reassurance of its investment, loans, and loan guarantees for the investment funds apportioned through the Overseas Private Investment Cooperation (OPIC).

The agreement will enable Romania to conduct on U.S. territory activities similar to those performed by the OPIC in Romania, after the two governments have fulfilled the legal procedure.

CSCE Report Confirms Existence of Camps

LD1709125492 Hamburg DPA in German 1043 GMT 17 Sep 92

[Text] Bonn (DPA)—A CSCE report on executions and torture in concentration camps in various areas in the former Yugoslavia has confirmed the worst fears. The German CSCE ambassador, Wilhelm Hoeynck, said this on 17 September in a Deutschlandfunk interview. He mentioned a number of pieces of evidence that had been made available to the CSCE steering committee of 'high-ranking officials' at a session in Prague on Wednesday.

There was a large number of camps, not all of which had been known about. There had been "arbitrary executions" of civilians, instances of torture and brutal treatment, as well as inhumane accommodation in cattlesheds. Unfortunately, the CSCE could not ensure the closure of these camps immediately. First there had to be safe conduct for the prisoners.

Through broad publicity, the CSCE wanted to intensify pressure on those responsible. One of the worst camps in Bosnia-Hercegovina, Hoeynck said, was now being closed. The International Committee of the Red Cross (ICRC) and the UN Office of the High Commissioner for Refugees were working together on this under the military-police protection of the UN blue helmets.

The ambassador stressed the scrupulousness of the investigation by British diplomat John Thompson. Hoeynck could not, however, say under what national responsibilities the discovered camps came. It was also likely that there were torture camps still undiscovered. [passage omitted]

Foreign Ministry Rejects UNPROFOR Claims

AU1609193892 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 1700 GMT 16 Sep 92

[Text] Less than 24 hours after the tragic incident in which two French soldiers from the Sarajevo UNPROFOR [UN Protection Force] were killed, the Zagreb-based command of these forces issued a statement before any proof was established and before results of the investigation were known, blaming the Bosnian side. This is inconceivable according to all internationally accepted norms on procedures for investigation. This was stated in a communique issued for the public by the Ministry of Foreign Affairs of Bosnia-Hercegovina in Sarajevo today.

The communique issued in Zagreb claims that the incident near the Sarajevo airport is the fourth in the series of deliberate attacks on UNPROFOR for which the Army of the Republic of Bosnia-Hercegovina is blamed.

Unfortunately, certain UN officials refer to the members of the Army of Bosnia-Hercegovina as the Bosnian president's forces, which is totally unacceptable for the country that is 177th member of the United Nations. The only acceptable terms are those adopted by the Presidency of the Republic of Bosnia-Hercegovina, and these are: the Army of the Republic of Bosnia-Hercegovina, and the soldiers of the Army of the Republic of Bosnia-Hercegovina.

Referring to the incident that took place near Sarajevo itself, the Ministry of Foreign Affairs of Bosnia-Hercegovina points out some irrefutable facts: The communique issued by UN representatives for the public states that the incident took place at 1940 in broad daylight. It is easy to establish that the sunset on that day, on Wednesday 8 September, was at 1914, and that therefore there could have not been broad daylight at 1940.

Moreover, the communique issued in Zagreb mentions the number of UNPROFOR soldiers that were wounded between 5 June and today. It is significant that UNPROFOR has never issued an official statement on any of these tragic events, which should be based on a thorough investigation.

Only once has UNPROFOR approached the Bosnian authorities and its organs in a written form, on 11 August, when it mentioned three mortar attacks on UNPROFOR members in their quarters. After detailed investigation by the officers of the Armed Forces of the Republic of Bosnia-Hercegovina and UNPROFOR, it was concluded that the targeting of the UNPROFOR building was done from the north side with the 155-mm shells, with the guns that are in the enemy's possession in Rajlovac and Vogosca. Everything indicated that the shells came from the aggressor's positions.

Second, chetniks opened fire on Sokolje, Brijesce, and Buljakov Potok from Lukavica and Dobrinja. Some shells were improperly charged and flew over, hitting the Jusuf Dzonlic barracks, which was in the direction of fire.

Third, regarding the killing of a Ukrainian soldier in the Marshall Tito Barracks by a sniper, it was established where gunfire originated. It should be pointed out that dozens of Sarajevo residents were killed on that location by snipers from the Jewish Cemetery, Vrca, and Grbavica. Five citizens were killed on the same location in the first five days of September.

It is impermissible that without any proof and contrary to the established facts UNPROFOR should present such serious conclusions that could have long-term negative consequences.

We insist on the UNPROFOR's objectivity and impartiality. We insist that reports on all incidents that have happened since 5 June be published, and that proof be provided for everything.

This was stated in the communique issued by the Ministry of Foreign Affairs of Bosnia-Hercegovina.

Bosnia-Hercegovina will present to the public all the evidence available, including the results of the investigation that is under way into the killing of the two French soldiers. The investigation was ordered by the Headquarters of the Army of the Republic of Bosnia-Hercegovina immediately following the incident.

Serb Assembly Drops Independent State Amendment

LD1609173792 Belgrade TANJUG Domestic Service in Serbo-Croatian 1636 GMT 16 Sep 92

[Text] Bijeljina, 16 Sep (TANJUG)—At its session yesterday the Assembly of the Serb Republic of Bosnia-Hercegovina dropped an amendment to the constitution which defined this republic as a sovereign and independent state, SRNA agency reported today.

According to this agency's report, deputies to the Assembly decided that they wanted to remain incorporated in the Federal Republic of Yugoslavia, stressing that in their plebiscite the Serbian nation in Bosnia-Hercegovina had opted for Yugoslavia. "We do not want to abandon Yugoslavia voluntarily although many are driving us out of it," Assembly President Momcilo Krajisbik said at the session, SRNA reports.

At the session in Bijeljina, which began yesterday and continued today, some ten laws relating to the functioning of the economy and authorities were also passed. According to SRNA, the Assembly tasked the government "with securing energetically the functioning of the state and its organs and exercising its state powers."

Following the Assembly session government, President Branko Djeric said that "one should strive to eliminate local powers and non-institutional activities." Djeric said that the adoption of the constitutional amendment on dissolving the Serbian Autonomous Region will secure unity in the Serbian state. SRNA agency does not reveal whether the Assembly has already adopted the aforementioned amendment.

Boban Views Decision Annulling Croat Republic

LD1609150592 Belgrade TANJUG in English 1253 GMT 16 Sep 92

[Text] Belgrade, Sept 16 (TANJUG)—Herceg-Bosna President Mate Boban has assessed as "completely unconstitutional" a ruling by the Constitutional Court of the former Yugoslav republic of Bosnia-Hercegovina annulling a decision by the Croats to form their own republic in Bosnia-Hercegovina.

The Croats, one of the three constituent peoples in Bosnia-Hercegovina, on July 3 formed their own state, Herceg-Bosnia, in territories in the south of Bosnia-Hercegovina where Croats are the majority population.

Herceg-Bosnia borders on the former Yugoslav republic of Croatia, whose regular Army is aiding Bosnia-Hercegovina Croats and Muslims in their fight against the local Serbs. Bosnia-Hercegovina has for over four months been the scene of fighting between its local Muslims and Croats, assisted by regular Army troops from neighbouring Croatia, and the local Serbs.

The conflict escalated after the European Community on April 7 recognized the independence of Bosnia-Hercegovina at the request of its Muslims (44 per cent of the total population) and Croats (17 per cent) and against the wishes of the Serbs, who make up 31 per cent of Bosnia-Hercegovina's population.

Rifts caused by territorial disputes are becoming increasingly evident in the Muslim-Croat coalition.

Radio Sarajevo quoted Boban as saying late on Tuesday evening at a gathering of the leadership of the Croatian Democratic Union (HDZ) in Bosnia-Hercegovina that his party would "ignore" the court's ruling.

The radio also said the HDZ refused to accept the court's decision, claiming that it bore an "invalid stamp."

The court said the formation of Herceg-Bosna contravened Bosnia-Hercegovina's Constitution, as Herceg-Bosnia has a "character of statehood."

Sreco Vucina, spokesman in Mostar for the Croatian Defence Council (HVO)—the Army of the Bosnia-Hercegovina Croats, on Wednesday "rejected with indignation" the ruling by the Bosnia-Hercegovina Constitutional Court.

Radio Sarajevo quoted Vucina as saying that the decision, "like all others which emanated from Sarajevo, seeks to discredit everything that the HDZ and HVO have done so far in the defence of the area around Mostar and Herceg-Bosnia."

Izetbegovic Explains Participation at Geneva

AU1709084492 Paris AFP in English 0824 GMT 17 Sep 92

[Text] Sarajevo, Sept 17 (AFP) - Shelling intensified here Thursday [17 September] as a six-member delegation led by Bosnian Foreign Minister Haris Silajdzic prepared to leave for Geneva peace talks after reversing its abrupt withdrawal on Monday.

A spokesman for the U.N. Protection Force (UNPROFOR) said the delegation would leave by armored convoy for the coastal town of Split, probably before noon (1000 GMT) as soon as the road out of Sarajevo was secured and cleared of land mines. From Split it would fly to Zagreb, then to Geneva, where talks were to begin on Friday.

However, the sharp increase in shelling before dawn cast doubt on whether the delegation would leave.

In a statement released early Thursday, Bosnian President Alija Izetbegovic said the presidency's abrupt decision to pull out of the talks last Monday had been

"carefully reconsidered" and that it had been decided it would be "more useful" to go.

However, he said that although the delegation would be present in Geneva, it reserved the option not to participate in the talks unless the Serbian side honored commitments it made at the London Conference on Yugoslavia last month.

Those commitments included grouping all Serbian artillery around Sarajevo and three other Bosnian cities at sites under U.N. monitoring.

U.N. officials have said much of Monday's shelling in Sarajevo came from sites not declared to the U.N.

Izetbegovic said the Bosnian side would participate in the talks only as a single entity, without divisions along ethnic lines.

The Serbian and Croat nationalist forces insist on ethnic grouping within Bosnia-Hercegovina, something the Bosnian side has made clear it would not accept.

"Our position," said Izetbegovic, "is that if anything can be gained through negotiations, then let us do it."

Monday's pullout was followed by the most violent fighting and artillery barrages the Bosnian capital had seen in weeks, with more than 40 dead and 100 wounded.

Izetbegovic said in Thursday's statement that he had had an exchange of sharply worded letters with U.N. special envoy Cyrus Vance and European Community envoy Lord Owen, who engineeered the Geneva negotiations during a trip here last week.

"Those letters were not as polite as interpreted in the press," said the president. Vance and Owen "said they were shocked by our rejection of the Geneva talks and we said we were shocked at their indifference to the developments in Sarajevo."

The president, in a protest to the U.N. Security Council, reiterated earlier charges that the Serbs had conducted air strikes against several Bosnian towns last Monday.

After the exchange of letters, he said, "the other side"—the Serbs—"received a serious warning concerning attacks on our cities."

Karadzic Statement Prior to Geneva Talks Viewed

LD1709093692 Belgrade TANJUG Domestic Service in Serbo-Croatian 0819 GMT 17 Sep 92

[Text] Belgrade, 17 September (TANJUG)—President of the Serb Republic [of Bosnia-Hercegovina] Presidency Radovan Karadzic told TANJUG over the telephone that at the Geneva negotiations on Bosnia-Hercegovina the Serbs would urge that three constituent states and their mutual relations be defined.

Prior to his departure for Geneva, where he is to attend negotiations that are to start on 18 September, the leader of the Bosnian Serbs stated that the composition of the Serb delegation would be at the top level: himself, as the president of the Presidency; Presidency member Dr. Nikola Koljevic; Assembly Chairman Momcilo Krajisnik; and Foreign Minister Dr. Aleksa Buha.

Karadzic stressed: "If the conference fails, there will be no agreement on the establishment of mutual relations."

The Serbian side is also not going to set conditions regarding the way that the negotiations are conducted, Karadzic added, saying that he did not "have a personal interest in the war, and therefore we should talk face to face."

Commenting on the latest UN Security Council resolution regarding the extension of the mandate and the reinforcement of UNPROFOR [UN Protection Force] troops in Bosnia-Hercegovina, Karadzic said: "We welcome the blue helmets because we trust the United Nations to be unbiased and not disturb the strategic balance."

Karadzic stressed that the Serbs would not accept a possible decision to ban military flights over Bosnia-Hercegovina as advocated by Marrack Goulding. "Such a decision would mean siding with the stronger side, disturbing the strategic balance, and directly dragging the Serbian side into defeat," assessed Karadzic. He recalled that not only military but also humanitarian flights are at issue.

The president of the Serb Republic stressed that he had not received any protest by Cyrus Vance and Lord Owen against the activities of the Serbian Air Force on Bihac. As he put it: This, however, does not mean that the protest has not been sent to him. Karadzic said that he did not even check whether the Air Force was active around Bihac. "If a large-scale offensive is being prepared around Bihac, the Serbs will defend themselves. The fact that the UN observers have been deployed along our positions does not mean that we do not have the right to defend ourselves, and in any case they do not question this right," Karadzic said.

"Peace cannot be incomplete. It must benefit all at the same time," Radovan Karadzic, president of the Serb Republic, said in conclusion.

[Belgrade Radio Beograd Network in Serbo-Croatian at 0800 GMT reports the following: "Before his departure for Geneva, President of the Serbian Republic Radovan Karadzic, in an interview for SRNA news agency, stated that he was authorized by the assembly to yield everywhere where humanitarian interests would be involved in order to end the suffering of all three ethnic communities as soon as possible. However, we are not authorized to yield where the essential interests of the survival of the Serbian people and the Serbian state lay, Karadzic said. Karadzic stressed that there would no longer be any partial yielding and supervision of the military-strategic

positions of the Serbian Army [as heard]. The Serbian artillery and Air Force are coming in for criticism now, but they are counterbalancing an enemy two to three times stronger in manpower, Karadzic said, and added that he does favor peace but not if the price is the enslavement of the Serbian people."]

Serbs Urge Cease-Fire Before Geneva Conference

LD1609171292 Belgrade TANJUG Domestic Service in Serbo-Croatian 1627 GMT 16 Sep 92

[Text] Bijeljina, 16 Sep (TANJUG)—The Assembly of the Serb Republic (of Bosnia-Hercegovina) has adopted at a session in Bijeljina a statement urging the authorities in Sarajevo to declare a cease-fire before the opening of the Geneva conference scheduled for 18 September. The statement, carried by the SRNA (Bosnian Serb) News Agency, says that the Serb forces are also going to be ordered to cease fire before the opening of the conference.

The authorities in Sarajevo are urged to negotiate the establishment of a permanent peace, an agreed demarcation and regulation of all relations between the two sides. The Serb side proposed in the statement that negotiations about a joint use of water, electricity, transport communications, radio and television links and financial transactions are opened even before political relations between the warring parties are finally regulated.

Negotiations on the care for the ill, exchange of POW's and the use of pension-related documents will be proposed. The Assembly called on all citizens who fled their dwellings to return home as soon as permanent peace is reestablished, and promised that members of the enemy formations who did not commit crimes against the Serb people should not be prosecuted.

Unless the initiative from the statement is accepted, the Assembly charged the Presidency of the Serb Republic to declare the state of war and call Serbs from other Serbian countries and abroad and also volunteers from other Orthodox and friendly countries to join the Serbian Army units as volunteers.

Izetbegovic Protests Serb Air 'Bombardments'

LD1609213392 Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian 2000 GMT 16 Sep 92

[Text] We lodge a serious protest with the UN Security Council regarding the brutal air bombardments of Bihac, Jajce, Gorazde, and Bosanski Brod. In the Republic of Bosnia-Hercegovina 80 civilians were killed and 370 injured. In Sarajevo, 28 people have been killed and 170 injured over the past 24 hours, the highest casualty toll since the outbreak of war, states Bosnia-Hercegovina Presidency President Alija Izetbegovic's protest lodged today with the chairman of the UN Security Council. The aggression against Bosnia-Hercegovina is intensifying. Instead of a cease-fire and the withdrawal of heavy artillery, the aggressor is bringing in fresh reinforcements in personnel and hardware, including 100 tanks, from Serbia.

All these facts suggest that the promise made by Serbia and its paramilitary formations regarding the cease-fire and the placing of their heavy artillery under UN supervision is a total farce.

In the light of this, we demand that their aggression be condemned, that all aggressor aircraft be banned from any kind of activity over Bosnia-Hercegovina's territory, and that some other measures be also taken, something that would mean an effective implementation of the decisions made by the London conference.

We would be grateful if you could distribute this letter as a UN Security Council document, says today's message from Sarajevo.

Ganic 'Scared' Over Possible Terrorist Actions

LD1609100192 Belgrade TANJUG in English 0835 GMT 16 Sep 92

[Text] Belgrade, Sept. 15 (TANJUG)—Ejup Ganic, a member of the Bosnia-Hercegovina presidency, said he was afraid that some Bosnia-Hercegovina radicals abroad, embittered by developments in that former Yugoslav republic gripped by ethnic war, might turn to international terrorism.

"I'm scared to death that some people abroad may do something terrible," said Ganic in an interview carried by REUTERS on Tuesday [15 September]. "I'm very afraid of radicalising this problem," said Ganic.

"We send messages to people to behave properly, but it is a serious matter," said this member of the Bosnian presidency, on which there are no legally elected Serbs.

Ganic, a Moslem, did not specify what "radicals" abroad he had in mind or when and to whom the messages were sent.

A Moslem-Croat coalition in Bosnia-Hercegovina, aided and abetted by the Army of neighbouring Croatia, has been fighting local Serbs for more than five months.

Both Bosnia-Hercegovina and Croatia have seceded from Yugoslavia and won international recognition.

Asked by the interviewer if Bosnian Moslem authorities had received armament from the Islamic countries, Ganic failed to give a direct answer, but said: "If you [words indistinct] you will take any hand that reaches out without even thinking about it."

Ganic has spent most of the past months travelling abroad, chiefly to the Arab coumtries, seeking military intervention in Bosnia-Hercegovina and arms for Bosnian Moslems despite a U.N. arms embargo.

Germany Accused of Supplying Arms to Bosnia

LD1609221292 Belgrade TANJUG in English 1112 GMT 14 Sep 92

[Text] Belgrade, Sept 14 (TANJUG)—Germany is still the main supplier of arms to the former Yugoslav Republic of Croatia and the Moslem Army of the ex-Yugoslav Republic of Bosnia-Hercegovina, Belgrade daily VECERNJE NOVOSTI said on Monday [14 September].

Quoting well-informed sources in the Army of the Bosnia Serbs, the paper said that Germany is recruiting mercenaries to fight for the Moslems in the civil war in Bosnia.

In these activities, which represent a violation of the United Nations embargo on arms shipments to all republics in the territory of former Yugoslavia, Germany is much aided by Austria and Hungary, the daily said.

In early September Croatia received, via Hungary, land-to-land and land-to-air missiles from the German town of Eschlingen, close to a rocket base, the paper said. It said that large quantities of infantry weapons and a number of missiles and armoured transporters were delivered by four ships from Vienna, via the Danube River, to Budapest from where the shipment was transferred to trucks and ferried through Croatia to the Moslems in Bosnia.

From the German town of Heibron, close to Stuttgart, over 1,000 volunteers and mercenaries recently arrived in Bosnia via Croatia. The volunteers are Croats and Moslems and the among the mercenaries predominant are Germans and ethnic Albanians from the territory of former Yugoslavia, VECERNJE NOVOSTI said.

The leader of the Bosnia Moslems, Alija Izetbegovic, needs the weapons because he has not given up from launching an offensive against the Serb Republic in Bosnia-Hercegovina, while the Germans stand to gain not only from the sale of arms, but have also other interests, the Belgrade daily said.

In fighting against the Serbs, Germany sees a chance to indirectly realize its two longstanding aims - to revenge itself on the Serbs for defeats suffered in the two world wars and to finally gain territories in the East, which it failed to do in its military campaigns, the paper said.

Belgrade daily POLITIKA on Monday quotes Greek paper KATHIMERINI as reporting on the arms shipments from abroad. It said that weapons are brought into Serbia's Kosovo province, predominantly populated by ethnic Albanians, and to the Serbian region of Raska (Sandzak), one half of whose population are Moslems.

According to the Greek paper, the arms are arriving from Turkey, via Bulgaria and the ex-Yugoslav Republic of Macedonia. All these countries, including Albania, favour the destabilization of the southern part of former Yugoslavia, KATHIMERINI said and added that the Turks are hoping to regain territories in the Balkans and to revive the Ottoman Empire.

Fighting Reported in Brcko, Gradacac, Sarajevo

AU1609205292

[Editorial Report] Sarajevo Radio Bosnia-Hercegovina Network in Serbo-Croatian at 1700 GMT carries its regular 50-minute newscast, which includes several reports on fighting in Bosnia-Hercegovina.

"The evening announcement of the Brcko Commune Press Center," read by an unidentified correspondent, says that "since this morning and until the afternoon hours, more precisely until 1540, the air raid alarm was sounded four times in the free Brcko territory. The first time, the combat aircraft of the Army of the so-called Federal Republic of Yugoslavia only carried out reconnaissance flying, but on the last occasion they violated the airspace of the free territory of the Brcko Commune and a MiG-21 strafed the region above the village of Rasljani." Further on in the report it is said that "with the liberation of Bukvik and (?its) civilian Serbian population, the last island ceased to exist in the broader free Bosnia-Hercegovina territory from Doboj, Gradacac, Brcko, (?Calic), Tuzla, Kalesija, Zivinice, Banovici, and Lukavac to Gracanica. From this island chetniks exerted pressure on the surrounding Muslim and Croatian villages."

"The evening announcement of the Gradacac Commune Press Center," read by an unidentified correspondent, says that "the situation in the Gradacac battlefield is not calming down. Last night and today, Chetnik aggressor forces have been mercilessly pounding civilian targets and the positions of Gradacac defenders. Particularly intensive fire from 155-mm howitzers is being opened at the center of the city. From Pelagicevo, Gajevo, (?Skugrici), and Krecane, the enemy is opening intensive fire at Hasanbasici and Vida, and at Huskici and Mionica. Strong artillery fire, along with fierce attempts at infantry breakthroughs, took place in (?Liporasce) and Jokanovici." The report also says that "reports by the Gradacac war hospital are worrying; cases of jaundice, tuberculosis, and gastroenterocolitis are on the increase." Finally, it is said that "the air raid alarm was sounded five times in Gradacac. On one occasion, the aircraft carried out a combat operation aimed at the region of Hrgovi Donji and Cerik. Fascist aircraft dropped cluster bombs, fired rockets, and strafed civilian targets."

An unnamed correspondent says that "today" the aggressor has been attacking Gorazde from the early morning hours with 82-mm and 120-mm mortars, howitzers, tanks, and guns. "At 1230 and 1330 today, Serbo-Montenegrin aircraft operated in the broader region of Ilovaca, Orahovice, and the border region toward Foca."

A report on the Bosanski Brod region, read by a studio announcer, says that there have been new attacks there. "At about 0635 this morning, the aggressor fired a dozen projectiles at Sijekovac."

The announcer adds that "fighting on the Jajce battlefield is going on with full intensity. The aggressor is still trying to make an infantry breakthrough at all front lines."

In her report from Konjic, Borka Rudic-Andjelic says that within the last 24 hours, "the chetniks opened fire with all available weapons at Konjic and surrounding villages from their positions in the villages of Borak and Bijela."

The correspondent in Tuzla reports about a "rather tempestuous day in Tuzla again. Air raid alarms were sounded several times. Shells launched from the chetnik stronghold of [name indistinct] on the Majevica mountains were falling on Tuzla again."

In his report from Maglaj, Hajrudin Perkic says that "aircraft of the enemy Yugoslav Army frequently flew over the town today. They even carried combat operations on two occasions, first at 1140 when they strafed (?Navitluca), Coba, and Kopice, and again at 1500 when they were throwing an unknown substance over these parts of the commune."

In her report from the Sarajevo Security Services Center, Duska Rakonjac says that "in the evening hours again, from the direction of Butilo, Ilidza, and Rajlovac, the aggressor is shelling Stup One, Stup Two, and Stupsko Brdo." The aggressor also occasionally fired heavy weapons at the Olympic village, Rakonjac says and adds that "an antiaircraft machine gun and an antiaircraft gun are firing at Sokolje from the direction of Zuc." Finally, she adds that "antiaircraft machine guns and antiaircraft guns have been firing with continuing intensity at Bascarsija in the last several hours. The chetniks are using the same weapons to fire at Sip and Brekin Potok this evening."

Croatian-Muslim Conflict To 'Benefit' Serbs

92BA1388D Zagreb NOVI VJESNIK in Serbo-Croatian 26 Aug 92 p 20

[Article by Aleksandar Milosevic: "Chaos Can Also Be Nurtured With Squabbles"]

[Text] Zagreb—What is happening between the Croats and Muslims in Bosnia-Hercegovina [B-H]? More precisely, what are the real relations between the Croatian Defense Council [HVO] and Territorial Defense [TO], that is, the Armed Forces of B-H. According to certain sources, several wars are being waged at this moment in the central republic of the former Yugoslavia. Serbs against Croats and Muslims. Croats against Muslims and vice versa, and there is also talk about the existence of a rather strong split among the Croats. All of these rumors, regardless of how accurate they are or are not, confirm the well-known truth that war is basically a time of chaos. If politics is the art of the possible, and war is an extension of policy by other means, then we can refer to wartime as a time of impossible possibilities.

In politics, we know, there are no lasting friendships and alliances, but rather mutual bonds that last only so long as common interests. It is clear that the conflicting sides in Bosnia-Hercegovina do not have the same objectives and interests. Fertile soil is created in such a situation for what is referred to as special or psychological warfare, whose main defining characteristics is the spread of disinformation, the attempt to cause a split in the adversary's ranks by launching false reports. Let us not deceive ourselves, there is all of that at this moment in B-H. It is no accident that the reports of the alleged Croatian-Muslim and indeed even Croatian-Croatian split are mostly arriving from the ranks of the third side, that of the Serbs. What Karadzic and his command have been unable to achieve with weapons they are obviously trying to obtain by the methods of psychological warfare. If you add to this the fact that because of the military situation in B-H the central, legally elected, government in Sarajevo simply cannot control the territory which is not under Serbian occupation, it is clear that in such circumstances the most highly diverse opportunities are offered for speculation, deception, but also actions undertaken by freewheeling operators. In the case when three ethnic, religious, and political groupings are waging war, even though two of them have a common enemy, the most diverse approaches to war are possible. In Bosnia-Hercegovina, it should be frankly stated, there are also local wars being waged by self-styled rural sheriffs, there are wars over sections of cities and over rural towns, not for victory or defeat of the common enemy.

Foreign factors, by assuming more or less open patronage of various ethnic groups or military groupings, have also been contributing in some measure to a certain chaotic state on the soil of B-H. It is significant, for example, that the Islamic countries are undertaking their political actions on the wider international scene referring exclusively to the suffering of the Muslims in B-H, even though Croats are also subject to the Serbian genocide, and indeed even some of the Serbs who have not been taken in by the call for blood and flame, but have attempted to follow the logic of common sense. These and other circumstances could also contribute to momentary disagreements, and indeed even obstinate advocacy of the narrow interests of the Muslim or Croatian side, but a warning should be issued about the disastrous nature of such a situation.

Only the Serbian aggressors can benefit from a disagreement between the Muslims and Croats, and conflicts within the Croatian side favor no one except Karadzic, Mladic, and the other Orthodox criminals.

The war in B-H will be remembered for a brutality and insensibility such as Europe has not seen in the 20th century.

Personal and also collective frustrations are an inevitable phenomenon in this war. Some of these frustrations should also be sought in possible disagreements between Croats and Muslims or within the body of ethnic Croats in B-H. But at moments when it is clear that Serbia cannot obtain the objectives it wants in B-H by military action, all frustrations, partial interests, and personal assessments should be displaced by a common effort, military and political, to oppose the aggressor. The time of chaos in which we live, especially in B-H, must not be encouraged by chaotic decisions and foolish politics.

That would be a defeat on the very threshold of victory. This is certainly not in the interest of either Muslims or Croats in Bosnia-Hercegovina, nor in the interest of the other inhabitants who want Bosnia to be and remain their homeland.

Sarajevo Papers on Conflicts Between Factions

92BA1388E Zagreb VJESNIK in Serbo-Croatian 26 Aug 92 p 20

[Article by Mustafa Mujacic, NOVI VJESNIK correspondent: "Free-for-All in Sarajevo?"]

[Text] Recently, Sarajevo publications have been printing more and more articles about the HVO [Croatian Defense Council] aimed at placing those military formations in a negative context. What they have in common is the assessment that "the Croats are stabbing Bosnia in the back," that "they have exactly the same objective as the Serbs," while between the lines the possibility of ethnic cleansing is suggested even on the territory of Herceg-Bosnia.

On 3 July, the independent weekly SLOBODNA BOSNA published an article entitled "We Will Skewer Kljuic," which quotes a sentence of the leadership of the Sarajevo HVO: "We do not recognize Jerko Joko nor Stjepan Kljuic. They are lambs that Boban's army will skewer and roast on the spit."

That issue of the newspaper published for the first time the open accusation already common in street talk to the effect that the Chetniks and the HVO are openly collaborating. "Milan Tomic and Stjepan Glavas, who on 11 May of this year went to the TO [Territorial Defense] headquarters in Stup and requested that the TO no longer search nor disarm Vidici, Skoci, and Berjani in Doglodi, are also involved in this chain of the Serbian-Croatian agreement. What is more, in the Delerium, a coffeehouse in Doglodi, Serbian police come every day and sit and drink with the Croats. Vojvoda Commander Boro Berjan walks about freely in Doglodi." Doglodi is a settlement with a majority Croatian population.

Two days earlier a segment was broadcast over Serbian television to the effect that the HVO in Kiseljak and the Chetniks from Ilidza were jointly working the border between those two opcinas, removing each other's weapons, sitting together, and making merry. The Kiseljak HVO denied this on 3 July in OSLOBODJENJE and said that this was yet another Serbian deception, and that the people in the photograph were renegades from the HVO.

The most bitter accusation up to that point was uttered in an article entitled "Embrace in Stup," published in that same issue of OSLOBODJENJE: "When TO forces set out to take Ilidza less than a month ago, it was agreed that HVO forces from Kiseljak would attack at the same time. However, they did not turn up. What is more, they did not allow TO fighters from their own and neighboring areas to cross their territory in order to take part in the battle to liberate Sarajevo and remove the blockade."

Following the armed conflicts between the HVO and TO of Busaca and Novi Travnik, there was also a conflict in Kiseljak about three weeks ago. The leaders here publicly condemned the Kiseljak HVO of having shelled and set fire to two Muslim villages, while representatives of IGASE, the Islamic philanthropic organization, accused the HVO in Zenica two days ago of having taken away their equipment and money and abusing them.

VECERNJE NOVINE of Sarajevo, on the other hand, carried an interview on 10 July with Colonel Jovan Divjak, deputy chief of staff of the B-H [Bosnia-Hercegovina] Armed Forces, in which he said: "In certain parts of B-H, the HVO or representatives of the HVO are collaborating with extremist forces of the SDS [Serbian Democratic Party]. There is even no conflict between them, there is even an agreement. I am quite certain that the Croatian people is not supporting genocide against other nationalities, but the policy of the HDZ [Croatian Democratic Community] is in part supporting the policy of the SDS, which is certainly not beneficial to B-H." At the beginning of August, the public was aroused by Zeljko Bagaric's open letter to Mate Boban. Bagaric, who fought in Vukovar, Osijek, Knin...made very serious accusations against the Stup HVO and its leader Velimir Maric, whom he said was previously called Veljko Carapic, who had declared himself to be a Serb. He asserted that the "HVO and Chetniks are openly collaborating and helping each other in all respects, that Maric is constantly having lunch with Toma Kovac, commander of the Chetnik police station in Ilidza." In an interview with VECERNJE NOVINE on 13 August, Zeljko Bagaric, member of the special units of the B-H MUP [Ministry of Internal Affairs], said: "Maric's people have been regularly submitting reports on our positions to the Ilidza SUP [Secretariat for Internal Affairs]." In explanation of certain recent events, Bagaric adds: "And the last time Carapic was in Grude while the B-H Armed Forces were defending Live. They were also joined by HVO units, but immediately after their arrival Maric stopped the truck and did not allow HVO fighters to go to their positions. When Juka Prazina entered Otoz, Maric's man went to Ilidza and reported to Toma Kovac. Selective bombing of Otoz began very soon.... I personally saw the orders by which Velimir Maric took the trucks and tank trucks for the

needs of the HVO.... Maric's people took 300 metric tons of oil, they gave some to their mob in Ilidza for tanks, the rest they stored at Sik (a factory), and then they went to the building of the B-H Presidency to ask for eight tons of oil to meet the needs of the HVO." Zeljko Bagaric also said this: "Blaze Kraljevic was murdered by mercenaries from abroad, but the order for his execution was issued by Mate Boban...."

On Monday, 17 August, Velimir Maric held a press conference in which he denied press allegations that he was of Serbian origin and said (according to OSLOBODJENJE on 18 August): "The aim is an attempt to establish some HVO which will be loyal to the B-H authorities. The leadership of the HVO is appointed by the commander in chief of the Croatian Community Herceg-Bosnia, and he appointed us, and these others who also represent themselves as the HVO have no legitimacy." Those others, then, those who are not under Velimir Maric's command, issued a press release on Thursday, 20 August, which contained this: "On 29 June 1992, following a democratic procedure, the HVO was constituted for the city of Sarajevo under the direction of President Marinko Pejic. Aside from communications difficulties with anyone outside this city, we have also encountered difficulties in obtaining equipment and training. We do not know how Velimir Maric managed to break the blockade and reach Grude, nor what he reported in Grude about the organization of Croats in Sarajevo. The fact merely remains that a month after official establishment of the HVO for Sarajevo he turned up with a decree on appointment of the president of the HVO for the city of Sarajevo.... We recognize Grude, but in the same manner Grude should recognize us."

Nevertheless, the fiercest and most direct attack on Croatian policy in B-H came early last week from B-H television on the program "Wartime" in which Muhamed Filipovic, member of the academy and vice president of the Muslim-Bosnian Organization [MBO] and chairman of that party's caucus in the B-H parliament, undertook an outright revision of the agreement recently achieved between Croatia and B-H. Filipovic asserted that "he and the current government know that in April of last year Tudjman and Milosevic reached an agreement on the division of B-H."

A column containing similar arguments and the indicative headline "Boban in Karadzic's Footsteps" turned up in OSLOBODJENJE. It equates the efforts of Karadzic and Boban and expresses the fear of the unforeseeable consequences of war: "The decision in Grude can have a depressing effect on all the liberation forces of the republic to such an extent that it would even put in jeopardy the successes achieved so far in the fight against Serbian expansionist aggression and could make it possible for the aggressor to carry out his plan in creating an ethnically pure expanded Serbia. Were that to happen, the war in these parts would last at least 100 years, and no international intervention could stop it. This would be a war of all against all, and that is the gravest consequence that Boban's policy could have."

How does the statement by Ejub Ganic, member of the Presidency of the Republic of B-H, to B-H television on 17 August, following talks which he had in Turkey, Italy, Germany, Switzerland, Great Britain, and Croatia concerning B-H problems, fit into these reflections? "During my visits to those countries, I requested weapons. Our country is at war and has the right to defend itself. This can be done only with weapons, and I think that we succeeded in that the world understands the necessity of our getting them. They will soon begin to reach our country."

It remains to be seen whether that statement is actually a suggestion of a war that will be a free-for-all. For the present, it is obvious that someone has been exceedingly interested in seeing relations between Croats and Muslims weakened.

Muslim, Croat 'Genocide Policy' Discussed

92BA1392A Belgrade VOJSKA in Serbo-Croatian 27 Aug 92 p 13

[Article by Biljana Djurdjevic: "Modeled After Croatian Hawks: Muslim Baklava for Bosnian Serbs"; first paragraph is VOJSKA introduction]

[Text] Members of the regular Croatian Armed Forces [HV] and Muslim paramilitary formations are once again implementing a genocide policy against Serbs in Bosnia-Hercegovina [B-H], creating ethnically pure regions. To this end, 58 Serbian towns in 20 opstinas of B-H have been burned and razed to the ground thus far, while the entire Serbian population has been moved out of 20 or so places in six different opstinas. According to incomplete data, in five months of the whirlwind of war in that republic, around 300,000 Serbs have been moved out and banished from their own homes. Still, the most horrible thing about all this is the realization that the crimes that are taking place there surpass those from the days of the Ottoman Empire or the Ustashi massacres at Jasenovac....

Our minds are already sick of the new scenes of old crimes. Just as in the last war, Serbs are once again being slaughtered in Kupres in the same bestial way and by the sons of the old Ustashi cutthroats. Once again we are subjected to the hammer, dagger, and pit.... In April of this year, Croatia decided to shift the focus of war activities in the territory of the former Yugoslavia to Bosnia-Hercegovina and carried out a horrible massacre against Serbian civilians, gouging out eyes, cutting off ears and genitals, shattering skulls with hammers, and scooping out brains....

This was the beginning of the war in Bosnia-Hercegovina, something about which we were worried, imagining that it would end up being that which it already is today—a massacre, a chasm of the absurd with no end in sight and in which the crimes multiply in cyclical fashion. The planners of Greater Croatia "within its historic and ethnic borders," which includes B-H, Boka, and part of Vojvodina and Sandzak, remain

shadowy figures. But that is why for five months now the armed forces of the HV have been wreaking havoc on the Bosnia-Hercegovinian opstinas of Livno, Duvno, Kupres, Bugojno, Velika Kladusa, Mostar, Capljina, Posusje, Listica, Grude, Ljubuski, Citluk, Stolac, Neum, Vitez, Odzak, Bosanski Samac, Orasje, Brcko, Derventa, Prnjavor, and Kotor-Varos. There are around 35,000 to 40,000 of them, organized in 17 full brigades, one independent regiment, five independent battalions, and one independent company, with support from the Croatian air force, and obvious material, intelligence, and diplomatic-propaganda assistance from individual countries in the world.

No Mourning in Leleci

The planned crime against Serbs was deliberately intended to push the "flower of Croatianhood" into the foreground—the Muslims, who in late March and early April carried out a horrible massacre in Sijekovci and the surrounding area. "I was the first one to go into a house," recalls one of the main cutthroats at that time, Alija Selimagic, who is now a prisoner of the armed forces of the Serbian Republic, "together with Enes Havic, Becir Hodzic, and Senad Are Mujcin, where we found a man and woman (around 50 years old) and their 23-year-old daughter. First we tied up the father and mother and then we raped their daughter. First I raped her while Hodzic and Havic helped me. Then the other three raped her too, and afterwards we also raped her mother. Finally, I cut the mother's throat and Enes Havic did the father...." Selimagic also remembers raping and kidnapping Serbian girls who were taken to Slavonski Brod, and killing and plundering entire families, only to finish his story by telling about a slaughter of 20 refugees at the town of Kostres, where because of the "scale of the job" they were divided into two groups. "In my group, we did the killing while Becir, Havic, and Mujcin brought the victims, held them, and knocked them to the ground, after which I cut their throats. In this way we killed, as I recall, eight men, five women, and two or three children. Because we were tired, we shot the other refugees...." Is there any need to point out that the entire ethnic cleansing operation in Sijekovci and environs was directed by the commander of the Croatian units from Slavonski Brod, Ante Prkacin?

The very next crime according to the tried and true Croatian formula was committed on 21 May 1992 in the town of Derventa, near Bratunici, by Muslims under the command of Hedib Sulejmanovic. On that occasion, 31 people were butchered, primarily old people, women, and children, and the entire town was burned down.

As early as May, HOS [Croatian Defense Force—military wing of Croatian Rights Party] Muslims came up with a new-old formula: impaling Serbian heads on a stick, which as in the distant Turkish days were placed on a fence on both sides of Capljinski Bridge! In late June, in order to demonstrate their "religious faith," members of the TO [Territorial Defense] of B-H in Kotor-Varos, with lilies on their sleeves and Allah on their lips, impaled seven captured Serb policemen and roasted them alive over a fire. Allah can hardly be with them after that, but God is slow in coming to the Serbs' aid. In the meantime, in the town of Vukasinovici, SO [Serbian Opstina of] Gorazde, Muslim units of the TO of B-H under the command of Suad Hamzic butchered eight Serbs and burned them up in their homes. The next night, the same unit butchered another nine Serbs in the village of Leleci and burned down their houses. There was no mourning in Leleci; there was no one left to utter a sound.

Too High a Price for Forgetting

And then, on 26 May, units of the Croatian armed forces attacked the Serbian towns of Ruska Gora and Bogodol near Mostar, where they massacred 200 Serbs—who once again took someone at his word—and burned them up. But then, on 2 June 1992, Muslim units of the TO of B-H butchered 32 Serbs in the town of Cemernica, after which they mutilated them with axes, picks, and shovels, which is attested to by a girl who was the only survivor of the massacre. This was a preface to the massacre that Muslims committed on 13 June of this year in an attack on several Serbian towns around Srebrenica, during which around 400 Serbs were butchered and massacred! A week later, units of the TO of B-H returned to the scene of the crime and attacked the remaining five towns around Srebrenica, which were burned to the ground. There is not a single Serb left in them.

At the end of June, members of the Croatian Armed Forces in the territory of Bosnia-Hercegovina burned down the Orthodox monastery in Zitomislic and 14 Orthodox churches in the Neretva River valley, while in the town of Prebilovci they slaughtered all the Serbs and burned down the town.

Urged on by this example, on 29 June 1992 Muslims in Preljuca turned Serbs into "baklava" by tying together groups of five detainees from the town crosswise (legs behind the neck of another man or woman), binding them into a bundle with wire pulled through the middle part of the body, pushing them into a hollow, and setting them on fire....

Jews, who suffered the most in the last world war, have remarked: "Crimes can be forgiven, but crimes should not be forgotten!" In this civil war, the Serbs have paid too high a price for forgetting about the last war and about other more distant times. In the interest of halting the war and preserving peace, it is possible to forgive, for the sake of understanding. In the name of the future and our children, we must never again forget. The price of forgetfulness is the lives of innocent people!

Bosnian Krajina Officials: Recognition or War

92BA1392B Belgrade BORBA in Serbo-Croatian 26 Aug 92 p 6

[Article by G. Katic: "Press Conference by Serbian National Council of Bosnian Krajina: Serb Republic or Continuation of War"—first paragraph is BORBA introduction]

[Text] Vinko Stupar: We will lift the blockades around Sarajevo, Gorazde, Bihac, and Tuzla and call on the besieged people to surrender to UN forces or sign an unconditional capitulation. In return, we ask that the international community recognize the Serbian Republic, or otherwise we will have the bloodiest war in history.

Belgrade—There will be no peace in the Balkans until the Serbian Republic, united with the Serbian Republic of Krajina, is recognized. This was the message at yesterday's news conference by the Serbian National Council [SNV] of Bosnian Krajina. The SNV is offered as the authentic representative of the Serbian nation there and as the conscience of poor policy, and it is said that it was no coincidence that its talk with journalists at the International Press Center was scheduled for the day before the beginning of the Conference on Yugoslavia in London.

The chairman of the SNV of Bosnian Krajina, Vinko Stupar, disclosed the Serbian proposals for stopping the war in B-H [Bosnia-Hercegovina], which will be sent to all diplomatic representatives in the coming days:

"We will free all prisoners who are over the age of 60, seriously wounded, emaciated, and sick. We will lift the blockades around Sarajevo, Gorazde, Tuzla, and Bihac so that women, children, old people, and the sick can leave. We will call on the besieged people to surrender to UN forces and to leave the territory of the Serbian Republic or to sign an unconditional capitulation. We will provide a period of seven days for all this to be done, and during that time we will not open fire."

"In return," Stupar continued, "we will ask that the great powers—the victors in the last war—sit down at the table and begin considering recognizing the Serbian Republic. Under our proposal, Croatia would gain part of Hercegovina but lose Knin Krajina, where there are no Croats anyway. The Muslims must satisfy themselves with less territory."

If the Serbian offer for peace is not accepted, Stupar predicted the bloodiest war in history:

"The blockade will not be lifted and not one Turk will leave alive; we will launch a general offensive against everything that is not Serbian, and we will not guarantee the safety of UN forces, which have supplied the enemy with weapons. We harbor no illusions about there not being military intervention; we even think that it is certain that they will bomb us, which is why we are preparing for a long guerrilla war. If NATO troops begin arriving, we will regard this as an invasion and will appeal to our emigrees to launch terrorist campaigns in the West."

Dusan Zelenbaba, a member of the SNV of Krajina, questioned the legitimacy and legality of both the government of RSK [Republic of Serbian Krajina] and Goran Hadzic, emphasizing that if they sign any sort of confederation with Croatia they can return to their homes as ordinary civilians. Zelenbaba said that the Serbian nation will not give up its demands for self-determination and that any calculations and plans for that nation will not succeed. He sees a halt to the war in Bosnia in a general turnaround in world policy toward the Serbian nation. This policy would consist of offering political, humanitarian, and military aid to the Serbian nation so that it can quickly defeat the Muslims and establish its own rule-of-law state.

UN Force Withdrawal Spurs 'Rumor' of Attack

LD1609171192 Belgrade TANJUG Domestic Service in Serbo-Croatian 1200 GMT 16 Sep 92

[Text] Knin, 16 Sep (TANJUG)—According to a statement issued today by the Internal Affairs Ministry of the Republic of Serbian Krajina, members of the Nigerian UN Protection Force [UNPROFOR] battalion left their control point in the village of Skakavac during the night of 14-15 September. The withdrawal of the units of the Nigerian UNPROFOR battalion deployed in the northern sector, the statement goes on to say, continued yesterday in the region of Mokusje, Kamensko, and Banjska Selnica.

As an explanation for the withdrawal of the blue helmets, the internal affairs bodies and local Krajina authorities were told that armed formations from the Republic of Croatia were expected to carry out combat activities over the regions controlled by the UN Nigerian battalion, the statement says in conclusion.

This news broadcast in a Belgrade TV news bulletin yesterday evening caused real panic, while a rumor spread through Knin that an attack by Croatian forces was also expected in the southern sector.

The report on this event was sent by an employee of the information service of the Krajina Ministry of Internal Affairs. In the way it was presented, it appeared that the situation was dramatic, but circles close to the Krajina Ministry of Internal Affairs today assessed there was no need for that. Stojan Spanovic, defense minister of the Republic of Serbian Krajina, is, however, visiting the northern sector today.

'Breakthrough' in Prisoner Exchange Reported

LD1709092192 Zagreb Radio Croatia Network in English 0805 GMT 17 Sep 92

[Text] A breakthrough has been made in the negotiations concerning the exchange of prisoners. At last night's talks in Cakovec, it was agreed that 32 out of 124 prisoners be released by the Federal Republic of Yugoslavia. Those men were the ones who have not been exchanged during the last prisoner exchange in Nemetin. The agreements should be fulfilled within the next two weeks.

The Croatian delegation has asked that some 300 prisoners, whose names were not on the list put together by the International Red Cross, also be freed, as well as those captured on the southern front and kept in Manjaca and those taken prisoner in the so called Krajina region. The Yugoslav delegation has stated that a law was being put together, granting amnesty to members of Croatian units.

RSK Official Comments on Army's 'Quiet' Coup

92BA1388B Belgrade BORBA in Serbo-Croatian 26 Aug 92 p 26

[Article by B.V.: "The Quiet Military Coup D'etat of the Yugoslav People's Army"]

[Text] Korenica—The day before yesterday a public conference was held in Korenica on the topic: "Current Events and the Interests of the Serbian People in Krajina." The participants in the conference were Bosko Bozanic, deputy prime minister of the Serbian Republic Krajina [RSK]; government ministers David Rasotovic and Sergej Veselinovic; Mladen Petrovic, president of the Korenica Opstina Assembly; and Nikola Medakovic, of Plaski Opstina. The large number of citizens assembled was first addressed by Bosko Bozanic, who devoted particular attention to the role played by the former JNA [Yugoslav People's Army], emphasizing that it has betrayed the interests of the Serbian people. Bozanic also said that the JNA had carried out a quiet military coup d'etat not only on the territory of Korenica Opstina, but also on the territory of the entire Serbian Republic Krajina. Bozanic cited the JNA KOS [Counterintelligence Service] and the League of Communists—Movement for Yugoslavia [SK-PJ] as principally to blame for this behavior of the JNA, saying that they are still present in the Krajina's territorial defense.

Sergej Veselinovic, minister for religion, particularly emphasized the disastrous process of atheization of the Serbian people in the time of the communist regime, while Mladen Petrovic criticized the work of the government of the Serbian Republic Krajina and its cooperation with opstina authorities. David Rasotovic and Nikola Medakovic favored the holding of these conferences more frequently, in order, they said, to give the voice of the people a better hearing.

Almost all the questions directed to the participants in the conference had to do with the circumstances of the arrest of four members of state security and military security (three are from Korenica and one from Donji Lapac), which in past days has caused quite a bit of unrest and dissent in the citizens of these opstinas. The only thing that is certain from the answers given by the participants in the conference is that a state commission has been formed at the level of the Serbian Republic Krajina, which is to look into all the circumstances of this arrest.

Kucan, Goncz Comment on Minority Issues

AU1609162492 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 16 Sep 92

[Matej Surc report from a news conference by Hungarian President Arpad Goncz and Milan Kucan, president of the Slovene Presidency, in Ljubljana on 16 September—recorded]

[Excerpts] Hungarian President Arpad Goncz in the introduction besides much praise concerning good neighborly relations with Slovenia pointed out the important detail of the meeting of the two statesmen. Namely, the representatives of both minorities—the Hungarians in Slovenia and the Slovenes in Hungary—were also represented in the presidential delegations.

President Milan Kucan stressed that there is not a single major controversial issue between the countries. They are both currently encountering extremely swift changes. Hungary and Slovenia also have joint interests and similar orientations in common. Here I primarily refer to the efforts to enter the European integrative trends. According to Milan Kucan, both countries will come out with a coordinated stance and initiatives at the session of the UN General Assembly, primarily regarding the war in Bosnia-Hercegovina and the issue of the refugees. The prime ministers of both countries will meet this autumn already and sign some documents, the most important of which will be the agreement on minorities. [passage omitted]

Hungarian President Goncz today again drew attention to the desire of his country to establish transit possibilities communication between Trieste and Budapest as quickly as possible. Where the actual road will go, whether via Ljubljana or via Zagreb, is a matter for Slovene-Croatian agreement.

Hungarian reporters were interested in Slovenia's attitude toward the refugees, Serbia, and the war in general. Kucan repeated the already known stance that Western military intervention should be considered a last resort. Before, all peaceful economic, political, and diplomatic measures must be applied.

How did Slovenia manage to stop the inflation? According to Kucan, with consistently restrictive monetary policy, prompt introduction of our own currency, and by relying on domestic capacities after the loss of markets due to the disintegration of Yugoslavia and Soviet Union, and the Gulf War.

Right now both presidents are parting with full military honors accorded to statesmen. On the way to Budapest, Hungarian President Arpad Goncz will also visit Monostor, where he will meet with the members of the Slovene minority in Hungary.

Rupel Comments on Border Dispute With Croatia

LD1609224392 Belgrade TANJUG in English 1951 GMT 14 Sep 92

[Text] Ljubljana, Sept 14 (TANJUG)—One third of the border between the former Yugoslav Republics of Slovenia and Croatia is disputed, Slovenian Foreign Minister Dimitrij Rupel said on Monday [14 September].

Rupel said Slovenia would have to "seriously negotiate" with Croatia on the issue and added that the talks could last [words indistinct]

Addressing a meeting of the Democratic Party in Vinica, on the very border between Slovenia and Croatia, Rupel accused Croatia of postponing the conclusion of interstate treaties on borders and economic cooperation. Slovenia will respond resolutely to all the increasingly frequent incidents by the Croatian side, Rupel said.

Rupel's statement comes at the time of preparations by the governments in Ljubljana and Zagreb for a meeting between Slovenian President Milan Kucan and Croatian President Franjo Tudjman, scheduled for early October.

Slovenia and Croatia have a 546 kilometer common border.

Exchange of Bonds for 'Real' Currency Announced

AU1509145692 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 15 Sep 92

[Excerpt] Slovene Prime Minister Dr. Janez Drnovsek in an afternoon news conference summarized the talks of the government delegation with the representatives of the Bank of Slovenia. They agreed that the exchange of temporary tolar bonds for real banknotes will start this month. As Dr. Drnovsek said, the Bank of Slovenia will carry out the exchange gradually, but it is expected that the exchange will be completed within a rather short period of time. Dr. Drnovsek said that the exchange of tolar bonds with banknotes will be carried out in a ratio of 1:1, therefore, without any denomination change. [passage omitted]

Federal

Kontic Says All UN Conditions 'Virtually' Met

AU1609163092 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 16 Sep 92

[Excerpts] Deputy Federal Prime Minister Radoivoje Kontic opened the international autumn fair of food and agricultural machinery in Novi Sad. Some 500 firms are taking part in it. Slavko Pusic reports:

[Begin recording] Novi Sad is the host of both the fair of food and agricultural machinery and the eighth fair of equipment for sowing and processing wheat and wheat products. [passage omitted]

Proclaiming the 29th international autumn fair opened, Federal Deputy Prime Minister Radoivoje Kontic stressed that Yugoslavia has met virtually all the conditions from UN Resolution 757 that were in its jurisdiction, and that now we can rightly expect the international community to start lifting the sanctions. [end recording]

Kontic, Romanian Envoy Meet, Discuss Relations

LD1609225892 Belgrade TANJUG in English 1608 GMT 15 Sep 92

[Text] Belgrade, Sept 15 (TANJUG)—Vice-Premier of the Federal Republic of Yugoslavia (F.R.Y.) Radoivoje Kontic spoke today about the problems Yugoslavia was encountering in the purchase of medicine and related raw materials, medical equipment, and oil for heating purposes next winter, when rigorous and comprehensive sanctions were imposed on it by the United Nations.

Kontic, one of the two vice-premiers in Milan Panic's government, today received Romanian State Secretary in the Foreign Secretariat Teodor Melescanu. Kontic pointed to the question of unfreezing financial resources of the F.R.Y. to be used for humanitarian purposes.

The F.R.Y. Information Ministry said the two officials considered the application of sanctions imposed on the F.R.Y. more than 100 days ago. They also dealt with bilateral economic relations and their promotion and expansion once the sanctions were lifted.

They noted that the two countries' traditionally friendly relations had been continuing.

Serbia

Government on Panic UN Application Policy

AU1709114092 Belgrade Radio Beograd Network in Serbo-Croatian 1000 GMT 17 Sep 92

[Text] The prime minister of the Federal Government said he would propose to the Federal Government that Yugoslavia submit an application to be admitted into the United Nations and other international organizations. Regarding this statement, the Government of the Republic of Serbia, chaired by Prime Minister Dr. Radoman Bozovic, stated the following:

According to the Constitution of the Federal Republic of Yugoslavia [FRY], the aforementioned statement by the federal prime minister has neither the legal character of a decision nor is legally binding on the FRY. According to the FRY Constitution, it is the FRY Assembly that makes decisions on joining international organizations. It stems from this that the Federal Government can only propose to the FRY Assembly to make such a decision, but cannot make a decision itself. However, even the FRY Assembly cannot make a decision like this without directly violating the FRY Constitution by doing so, bearing in mind that the FRY Constitution explicitly establishes a continuity in the subjectivity of Yugoslavia. A declaration adopted together with the FRY Constitution, which contains the basic goals and principles of the FRY's foreign policy, is also binding on the observation of the stand on FRY's continuity. The observation of the FRY's continuity is also contained in the program of the Federal Government, on the basis of which the FRY Assembly gave a mandate to the Federal Government to perform its duties.

The demand for reapplication to the United Nations would mean accepting the assumption that the statehood of Serbia and Montenegro, that is to say of the FRY, have ceased. This is contrary to the actual situation and the existing FRY's legal position in the United Nations and in the Geneva talks. The international community has given de facto recognition to the international and legal continuity of Yugoslavia according to all criteria. By applying for admission, we would take part in the self-destruction of our statehood and in the loss of our opportunities to act on the international level.

We would be stripped of all the rights that the country acquired by participating on the side of the Democratic forces in World War I and World War II and through the creation of the international legal order.

The renouncement of international and legal continuity would bring the FRY to a state of institutional isolation. Under conditions in which a part of the international community is adversely disposed toward us, the FRY's admittance into the United Nations and other international organizations would be made impossible for a longer period of time. Furthermore, bearing in mind the conditions for the recognition of the new states on the territory of Eastern Europe as set by the EC, the repeated recognition and admittance into international organizations would demand the prior fulfillment of unacceptable conditions—special status for Kosovo, Metohija, Vojvodina, Sandzak, a part of Montenegro settled by the Muslims and the Albanians, and probably for the territory populated by the Bulgarian ethnic minority, together with a real threat of demilitarizing these regions with the aim of reducing Serbia to its borders prior to the Balkan wars.

By renouncing international and legal continuity we would, in effect, be slowing down the peace process, since the FRY would banish itself from the international organization under whose auspices a peaceful solution to the Yugoslav crisis is being sought, the Serbian Government statement declares.

SPS Organizations Propose Milosevic as President

LD1609194592 Belgrade TANJUG in English 1833 GMT 16 Sep 92

[Text] Belgrade, September 16 (TANJUG)—The President of the Yugoslav Republic of Serbia, Slobodan Milosevic, is the strongest candidate for the president of the Socialist Party of Serbia (SPS) and the leading candidate on the SPS ticket for the early elections in the Federal Republic of Yugoslavia in the autumn.

Milosevic has been proposed candidate for the SPS president by all SPS municipal organizations which have held their electoral conferences, TANJUG has unofficially learned in circles close to the SPS, the ruling party in both Serbia and the federal Republic of Yugoslavia. The SPS municipal organizations which have proposed Milosevic as candidate for the SPS president have in no way questioned Milosevic's post of the republican president.

When asked could the SPS president be also the president of Serbia, TANJUG was told in the same circles, "the Constitution does not exclude the possibility of Milosevic, as the party chief, being the leading candidate on the party's election ticket. It would be decided after the elections to which state posts he would be elected."

However, assessments were presented in Belgrade on Wednesday that the early elections in the federal Republic of Yugoslavia, which is made up of the Republics of Serbia and Montenegro, were still not "within the reach."

The President of the opposition Social-Democratic Party (SDP), Cedomir Mirkovic, told a news conference in Belgrade on Wednesday the majority of opposition parties would not participate in the elections if the issues raised at the federal round-table discussions between the authorities and the opposition were not resolved.

The central issue is the electoral system, which has been the subject of severe wrangling at the "round-table" without a compromise formula being found so far. The disputed issues include the media and the financing of the parties.

Mirkovic said the election campaign had already started "heavily and brutally" in the state-controlled media.

The leader of the Social-Democrats said he doubted November was the best time for the elections. He said November as the time of the elections was used to pressure the opposition parties into agreeing to things they opposed.

Mirkovic said a "new cycle" of the disputing of the federal Prime Minister Milan Panic was starting. He said attempts were obviously being made at turning the federal state into a "legal shell." Mirkovic said only the authority of federal President Dobrica Cosic and Prime Minister Milan Panic could put a stop to that.

Mirkovic said the proposing of Milosevic as candidate for the SPS president reflected the "assessment of the realistic part of the SPS that he should withdraw from state posts and return to work in his party."

Prospective Measures To Counter Sanctions Viewed

LD1609214292 Belgrade TANJUG in English 2038 GMT 16 Sep 92

[Text] Belgrade, Sept 16 (TANJUG)—The Serbian Government Economic Council assessed on Wednesday [16 September] that drastic economic and social aftermath of sanctions against Yugoslavia could be alleviated solely by steps of intensified macro-economic control.

The council said sanctions-induced drops in production, real earnings and living standards would continue in the coming months.

The intensified macro-economic control aims at reducing the detrimental economic effects of the sanctions, at protecting the standard of living and at maintaining a price hike on a level under 50 percent a month.

The control covers public expenditures, overall amount of money in circulation, earnings and prices, and an economically adjusted policy of the dinar rate of exchange.

The council expected the Federal Government to make public at the soonest the elements of its macro-economic policy during the sanctions.

SDA Views on Sandzak Muslims Discussed

92BA1388A Belgrade BORBA in Serbo-Croatian 20 Aug 92 p 8

[Article by Mahmut Memic, people's deputy and member of the Commission for Human Rights and the Rights of Ethnic Minorities in the government of Serbia: "Let Us Not Sleep With Our Eyes Open"]

[Text] A great deal is being said and written these days about the urgent problems of the Muslims in Sandzak. In my opinion, these are the most important:

—The issue of the so-called special status of Sandzak;
—The Muslim nationality question;
—The deepest interest of the Muslims and of Sandzak in the light of the interests of the Federal Republic of Yugoslavia [FRY].

We will attempt to answer these questions using our own earlier line of argument, the line of argument of the SDA [Democratic Action Party] and its reference to alleged

decisions of European institutions related to Sandzak. Before the leader of the SDA for Sandzak, Mr. Sulejman Ugljanin, began his trip to internationalize the problems of Sandzak, in the overflowing municipal stadium in Novi Pazar he promised "his" people that he personally would create the "republic of Sandzak." He guaranteed the guests representing the Kosovo alternative that he would help them to create the "republic of Kosovo," then he anathematized those who do not think as he does with the words "Woe [*haram*] betide anyone who kisses a flag other than this one!" (the Turkish flag). His message to the like-minded was that, if necessary, they be *"shedidi" [dead]. A bit later, his right-hand man, Alija Mahmetovic, people's deputy, was telling the Serbian fighters on Pester that "after Bajram, he would be sending them dead in their coffins to Milosevic." At that time, many Serbs and Muslims were complaining to me as a people's deputy that, because of these fascistoid threats, they were "sleeping with their eyes open." Of course, any honest and neutral observer will ask himself whether in a situation of a threatened fight for a republic it is logical for the army to be on its territory and to protect by its presence those who do not agree with the SDA leader and to protect Serbs in those parts where they are numerically in the minority, but also where they are numerically in the majority, and that an absolute majority? The answer to this question has been furnished by the most recent history on this soil, where peace has been somehow or other preserved in these seething times.*

To be sure, a large number of Muslims became afraid because of the oversights of the army and moved away, but it is also true that a large number has remained, and these are precisely that segment of Muslims who do not agree with the policy of the SDA leader and who feel that life together is, of course, possible in this region.

The Notorious German Principle

Even two years ago I was pointing to the fallaciousness from the standpoint of civilization and the impossibility of realizing pure ethnic political communities, especially without legal procedure and without the political will of all the nationalities who live in Sandzak. After all the tragedies that have accompanied such attempts, I am convinced still more that the creation of ethnic states is nothing other than to maintain the notorious German principle of "blood and soil": If you are of the same blood as I am, if you think like I do, and if you are from my region, you can join me. Otherwise, move out, or I will kill you.... These encapsulated ethnic state structures, devoid of the idea of living together and of the higher instincts of sympathy and readiness to help one another, have become factories producing cold-blooded killers and war profiteers.

When the SDA leader, traveling around the world, saw that he had promised "his" people more than they could swallow, because Europe does not permit a changing of borders, he returned "triumphally" from his trip and announced to his people that he had obtained for it a "special status." I, like many others, ask myself whether he knows what that is, what the legal nature is of such an institute, whether such an institute has come to light anywhere in the world, what "his" people gets thereby, and what will happen to those Muslims who do not agree with them and what will happen to the non-Muslim inhabitants in Sandzak?

I believe that the SDA leader has thought about all these issues, but I doubt that he could find a satisfactory answer to them. And the nightmarish character of the SDA conceptions becomes evident on the topic of the relation between Sandzak within the FRY and Bosnia. The SDA defines Bosnia as the parent state of Muslims, and one of the referendum questions was the annexation of territorially autonomous Sandzak to its parent Bosnia. From the standpoint of European criteria, the Yugoslav nationalities have been turned into ethnic minorities in all the new states if a parent state is defined.

Where the Mistake Was Made

We all know that the Muslims gained all the attributes and essential elements of a nation and constituent nationality within the SFRY and that this was finally settled in legal terms by the 1974 Constitution. The disintegration of the SFRY has reopened the Muslim question and given it topical importance. On several occasions, I have defended the argument that the new FR Yugoslavia, if it claims to be the successor of all rights and obligations, must recognize that the Muslims have the status of a constituent nationality as they had in the SFRY. Along those lines, I submitted an amendment to that effect to the constitutional committee of the federal parliament. The SDA leaders, who do not recognize FR Yugoslavia, are turning the Muslim nationality into an undefined group, because Bosnia is not the parent state of Muslims, but of three nationalities. The parent state of Muslims could only be FR Yugoslavia in which they could have the status of an equal nationality. Europe will not accept any options aimed in a different direction. Any refusal of dialogue within the framework of Yugoslavia profoundly contradicts the interests of the Muslims as a nationality and degrades them to a nebulous minority. Muslims, including myself, have made a mistake by not understanding how far-reaching was the initiative for a historic agreement between the Muslims and Serbs which was attempted by the MBO [Muslim Bosnian Organization]. Now it is clear even to a layman that we would have stayed together, there would have been no war in Bosnia, and even the Croats would have had to accept such an agreement. Europe would have had a foundation on which to place its original support for Yugoslavia, the Serbs, who favored Yugoslavia, would have been politically and historically grateful to us for accepting the fraternal hand that was extended. B-H [Bosnia-Hercegovina] would today be the third member of the new Yugoslavia (federal or confederal, depending on the agreement). Macedonia would also have accepted the new community, as shown by its referendum. The result of that agreement would certainly be that there would have been no mutual eradication and large-scale resettlements.

I would also like to comment on the persistent advocacy of the SDA leadership of the so-called asymmetrical demands, when they say: "We are not demanding anything other than what the Serbs are demanding in Croatia." Even I have nothing against that thought, but it is right here that we have the main point of misunderstanding, unscrupulousness, insincerity, and failure to understand the problems of the Serbs in Croatia. That is, just like the Muslims on the soil of the former Yugoslavia, they feel that they have acquired the status of being a constituent nationality in making that state, so rightfully the Serbs in Croatia can also defend that position, and one should be sincere and principled and say that the Serbs in Croatia are also afraid and they are right when they say they are afraid they would become an ethnic minority as soon as Croatia was proclaimed a sovereign state. Why, then, not support them in demands when they favor preserving the name of Yugoslavia and Yugoslavia's continuity?

What the SDA Leadership Does Not Understand

And now when we recall that the SDA general secretary said publicly several times that Bosnia is the parent state of the Muslims of the former Yugoslavia and when Bosnia has been proclaimed a sovereign state, the question arises of the status of Muslims in other republics outside the Republic of Bosnia. Is the SDA leadership right when on the one hand it defends a position concerning the Muslim nationality, while on the other it will not take a position in a single word concerning the status of other constituent nationalities of the former Yugoslavia who are threatened with the danger of being turned into ethnic minorities? That is, my conclusion is that the SDA leadership in Sandzak does not understand these things, and I do not know what the reasons are that they do not consult the scholars, Muslims, in this field. Or, on the other hand, if they really do understand, they are not saying so, because all of Europe has turned against the Serbs, and so they follow the logic of saying Why shouldn't they?

Because civil war still has not broken out within the borders of the FRY and every citizen fears it, I feel that preventive methods must resolve and avert everything, and, of course, they must prevent civil war. One of the preventive methods is the proposed historic agreement initiated by Seik Alomerovic and Branko Jovanovic concerning the community of Serbs, Montenegrins, and Muslims.

And in conclusion I want to answer the question of what I think is the most profound interest of the Muslims of Sandzak and the FRY.

First, let me repeat my position from back in the times of the very beginning of my political involvement, when I said that the most important thing for us is to realize that the Serb is our best and closest first neighbor, and all the rest come only afterward. (Garcia Lorca said: A good Spaniard is more dear to me than a bad Muslim.) And then that we should support all peace initiatives in these seething parts, that we should behave civilly and express ourselves politically (Dr. Darko Tanaskovic), that we fight sincerely against all violence, against the notorious "Seselj retortion," against atavism and primitive and aggressive nationalism of all stripes, that we fight for democracy and the entry into "higher civilization," to increase the body of rights of Muslims, a higher quality of human and civil rights, but all of these things both through the institutions of the system and also through alternative institutions.

Because the leadership of the SDA for Sandzak contests my legitimacy and is asking itself who I am representing now and am I speaking in the name of Muslims, I will answer that I hope to represent that segment of the Muslim people who have sincere understanding and intelligence, while on the other hand I feel that the SDA leadership represents that segment of the Muslim people which in my opinion has been seduced and which does not want peace and community.

Kosovo

Albanian Leader Calls For Independent State

LD1609115592 Belgrade TANJUG Domestic Service in Serbo-Croatian 0958 GMT 16 Sep 92

[Text] Vienna, 16 September (TANJUG)—Democratic Alliance of Kosovo [DSK] Chairman Ibrahim Rugova last night discarded any possibility of Kosovo remaining an integral part of the Federal Republic of Yugoslavia. If that happened, he said in a lecture given during his brief visit to Austria, bloodshed would be inevitable.

In his opinion, the best option for Kosovo would be to obtain the status of an independent, neutral state. If Serbia and the international community do not want to accept that, they will push Kosovo towards its mother country, Albania, Rugova believes. Describing his vision of "Free Kosovo," Rugova said that "the Serbian minority will be given the status of a nation."

"We want to treat Serbs in a way different from the way in which they have treated us," Rugova said.

Kosovo would at the same time be proclaimed a demilitarized zone, and only the police would have arms, Rugova says.

Austrian media have given positive coverage to Rugova's visit. When Yugoslav Prime Minister Milan Panic and Minister Without Portfolio Radmila Milentijevic recently visited Vienna, no Austrian official wanted to receive them. An explanation offered by Minister of Foreign Affairs Alois Mock said that Austria "does not recognize the new Yugoslavia."

Montenegro

Parties Discuss Prevlaka Peninsula Problem

LD1609211992 Belgrade TANJUG in English 2225 GMT 14 Sep 92

[Text] Herceg Novi, Sept 14 (TANJUG) A dissonant policy is being led in the Yugoslav state leadership in relation to the question of Prevlaka (Adriatic Peninsula on the border between Montenegro and Croatia, on the entrance to the Boka Kotorska Bay), the Montenegrin opposition Democratic Party said in a statement on Monday [14 September].

The statement was issued in reaction to Yugoslav Prime Minister Milan Panic's statement to the press on Sunday during his flight to China that he had "temporarily lost Prevlaka."

The Democratic Party recalled in its statement, issued in Herceg Novi (a tourist center on the Montenegrin coast, near the border with Croatia), that Yugoslav President Dobrica Cosic recently publicly expressed firm resolve to defend Prevlaka and that the peninsula must remain an integral part of the Federal Republic of Yugoslavia.

The municipal committee of the ruling Democratic Party of Socialists in Herceg Novi also issued an announcement on Panic's statement. It said the party supported the demilitarization of Prevlaka, but only in the first stage, that is, as long as the talks on who should it belong to last.

"Prevlaka must belong only to the Boka Kotorska Bay. If it were given to someone else, then, under the international law, we would be hemmed in by a foreign sea in our own. This party and the authorities that it has constituted cannot accept any other solution," the Democratic Party of Socialists said in its statement.

Following Cyrus Vance's and Lord Owen's meeting with Yugoslav President Dobrica Cosic and Prime Minister Milan Panic in Belgrade last Friday, it was announced that agreement in principle had been reached over Prevlaka. Panic then explained to journalists that Prevlaka would be demilitarized and put under the direct control of United Nations forces.

Analysts in Belgrade note that the agreement reached has not permanently resolved the problem of demarcation on Prevlaka.

Macedonia

Greece Accuses Macedonia of New 'Provocations'

LD1709033692 Belgrade TANJUG in English 2045 GMT 15 Sep 92

[Text] Athens, Sept 15 (TANJUG)—Greek Foreign Minister Mikhail Papakonstantinou on Tuesday accused the former Yugoslav Republic of Macedonia of again "provoking" Greece by putting on its flag the symbol of an ancient Macedonian dynasty, found in northern Greece. Papakonstantinou told reporters upon the return from the E.C. ministerial meeting in London the E.C. would launch an initiative, at Greece's proposal, to stop the "provocations from Skopje," but did not specify.

Greece has named Macedonia the "Republic of Skopje," after Macedonia's capital, arguing that the former Yugoslav republic cannot use the name which is part of Greece's tradition. Macedonia seceded from Yugoslavia a year ago, but unlike the other breakaway republics was recognized by only a few countries, primarily because of Greece's insistance that Macedonia would raise territorial claims once it is recognized under its present name.

Papakonstantinou again called on the leadership in Skopje to abide by the E.C. stand and change its name so that it could be internationally recognized and develop broad cooperation with Greece.

Oil Crisis Disrupts Industry, Transportation

LD1709034992 Belgrade TANJUG Domestic Service in Serbo-Croatian 1341 GMT 16 Sep 92

[Text] Skopje, 16 September (TANJUG)—The oil crisis in Macedonia has now reached its peak. All reserves of the Skopje refinery and Macedonian Petrol Company have been used up, and new supplies of oil and oil products have not arrived despite the liberalization of the import of oil products, which can be imported in unlimited quantities.

Taking advantage of the liberalization, private enterpreneurs in Macedonia have imported only a few tanks of gasoline from Bulgaria. On the other hand, news has arrived from Greece about the further blockade of crude oil for the Skopje refinery in Thessaloniki harbor. Harvest and autumn sowing have been jeopardized because of the lack of oil and its products.

Skopje has not purchased any [word indistinct] for heating this winter, although money from citizens was collected in time and the necessary sum of hard currency provided. Many firms have stopped working due to the oil crisis, and many public bus lines have been abolished. Gas stations in Skopje have not received any fuel supplies for about 10 days.